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**北京控股有限公司**  
**BEIJING ENTERPRISES HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 392)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**HIGHLIGHTS**

- Revenue for the first half of 2023 amounted to approximately HK\$48.36 billion, representing an increase of 5.1% over the corresponding period of last year.
- EBITDA amounted to approximately HK\$9.74 billion, representing an increase of 3.9% over the corresponding period of last year.
- Profit attributable to shareholders of the Company for the first half of 2023 amounted to HK\$4.65 billion.
- After excluding the effect of one-off events, profit attributable to shareholders of the Company amounted to HK\$3.92 billion.
- Basic earnings per share attributable to shareholders of the Company amounted to HK\$3.69.
- An interim cash dividend of HK93 cents per share is declared for the six months ended 30 June 2023, representing an increase of 86% over the corresponding period of last year.

## UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board”) of Beijing Enterprises Holdings Limited (the “Company”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2023 (the “Reporting Period”) together with the comparative figures in 2022. The consolidated revenue of the Group for the first half of 2023 was HK\$48.36 billion, representing an increase of 5.1% over the corresponding period of last year. Profit attributable to shareholders of the Company was HK\$4.65 billion. After excluding the effect of one-off events, operating profit attributable to shareholders of the Company amounted to HK\$3.92 billion, representing a decrease of 24.6% from the operating profit of HK\$5.2 billion for the same period last year, primarily due to the impact of the depreciation of RMB, the increase in interest rates and the decrease in profit from China Gas. It remained the same year-on-year in general if the relevant effects were excluded.

Profit after taxation contributed by each business segment attributable to shareholders of the Company during the period was as follows:

	<b>Profit after taxation</b> <i>HK\$'000</i>	<b>Proportion</b> %
Gas operation	3,719,529	58.5
Water operation	640,204	10.1
Environmental operation	1,362,660	21.5
Brewery operation	630,986	9.9
	<hr/>	<hr/>
Profit from major operations	6,353,379	100
	<hr/>	
Corporate and others	(938,431)	
	<hr/>	
Profit of the Group	5,414,948	
	<hr/>	
Profit attributable to non-controlling interests	(766,179)	
	<hr/>	
Profit attributable to shareholders of the Company	4,648,769	

## MANAGEMENT DISCUSSION AND ANALYSIS

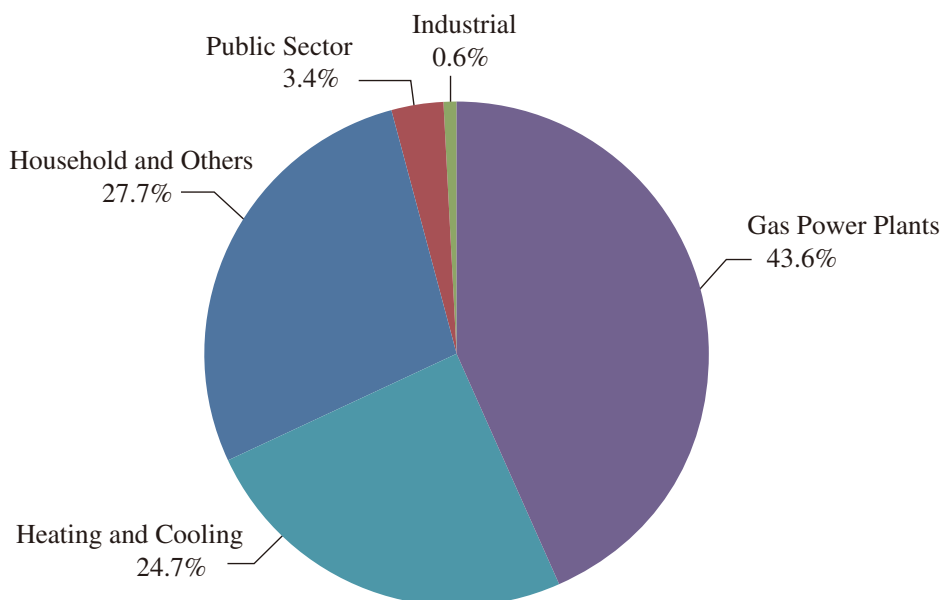
### I. Business Review

In the first half of 2023 (the “Reporting Period”), as the lagged effect of the tightening monetary policies of the global major central banks gradually emerged, the global economy continued the downward trend from last year, where stability of the energy resources supply in the international market declined while market volatility increased. The Chinese economy had continued to show strong resilience, and the triple pressures of demand contraction, supply shock and weakening expectations have been eased to varying degrees. To the Company, year 2023 is a critical year in the implementation of the 14th Five-Year Plan and each operation segment actively adapts to market changes, insisting on to internal changes and external development at the same time. All key works and reform tasks are progressing steadily with solid improvement in operating results.

#### *Natural Gas Distribution Business of Beijing Gas*

Beijing Gas Group Company Limited (“Beijing Gas”) recorded a revenue of HK\$35.87 billion in the first half of 2023, representing a year-on-year increase of 5.0%. Profit before taxation from the principal businesses (including natural gas distribution business, natural gas transmission business and VCNG of Rosneft) was HK\$3.55 billion.

In the first half of 2023, Beijing Gas’ combined (excluding duplicate statistics in different categories, and the portion of Beijing Gas Blue Sky Holdings Limited, Stock Code: 6828, was excluded) natural gas sales volume was 12.093 billion cubic metres, including 9.226 billion cubic metres of piped gas sales volume in Beijing, 1.35 billion cubic metres of city gas sales volume outside Beijing, 930 million cubic metres of LNG distribution and 903 million cubic metres of LNG international trade. Affected by the combining factors such as the year-on-year increase in temperature and shortening of heat supply period, the natural gas sales volume accomplished inside Beijing decreased by 1.3% year-on-year to 9.226 billion cubic metres. An analysis of the same by subscriber sector is shown as follows:



During the Reporting Period, Beijing Gas developed approximately 67,300 new household subscribers and 2,326 new public sector subscribers. New heating boiler subscribers with a total capacity of 574 t/h were developed. As of 30 June 2023, Beijing Gas had a total of approximately 7.37 million gas subscribers and approximately 32,200 kilometres of gas pipelines in operation in Beijing. Beijing Gas' capital expenditure in the first half of the year amounted to approximately HK\$2.25 billion.

In the first half of the year, the development of Beijing Gas operation and safety production were carried out simultaneously, and key projects and key tasks were promoted in an orderly manner, showing a good trend of “rising in both quality and efficiency” as a whole. The principal businesses in Beijing maintained steady growth, and the incremental markets were actively explored; the production preparation of the first phase of the Tianjin Nangang LNG emergency reserve project prior to putting into operation is also progressing steadily; emerging businesses developed steadily, with LNG domestic distribution achieving 662,000 tons and international trade achieving 10 ships of 645,000 tons, representing a significant increase compared with the same period of last year; the integrated energy added 1.49 million square metres of energy supply area coverage; in addition, Beijing Gas has actively carried out special rectification actions for safety production, and the safety risks of the pipeline network have been effectively controlled.

#### ***Natural Gas Transmission Business***

PipeChina Group Beijing Pipeline Co., Ltd. (“PipeChina Beijing Pipeline Co.”) recorded a gas transmission volume of 37.059 billion cubic meters in the first half of 2023, representing a year-on-year increase of 16.5%. During the period, Beijing Gas' share of net profit after taxation, through its 40% equity interests in PipeChina Beijing Pipeline Co., amounted to HK\$1.36 billion, representing a year-on-year increase of 17.9%.

#### ***VCNG of Rosneft***

During the Reporting Period, the PJSC Verkhnechonskneftegaz (“VCNG”) project of Rosneft Oil Company recorded its petroleum sales of 3.111 million tons, representing a year-on-year decrease of 1.1%. Beijing Gas shared a net operating profit after taxation for the first half of the year of HK\$736 million through its 20% equity interest in VCNG.

## ***China Gas***

The Group's share of profit of China Gas Holdings Limited ("China Gas", stock code: 384) in the first half of 2023 was HK\$230 million, which was calculated based on the share of profit attributable to shareholders of China Gas for the six months ended 31 March 2023 and representing a decrease of 71.4% when compared with the same period of last year, which was mainly due to (1) the number of new connections declined in the context of the persistently sluggish real estate industry and the COVID-19 pandemic; and (2) with rising procurement costs of city gas companies resulting from tight gas supply, the absence of a reasonable price pass-through mechanism largely depressed the dollar margin. In fiscal year 2023, in view of the complex external environment in China's urban gas industry, China Gas has taken a variety of measures, including actively acquiring upstream resources, signing a number of long-term LNG contracts, and promoting the innovative development of multiple formats, so as to cope with the complex external situation, secure stable gas supply, reduce the pressure of rise in costs, and achieve synergized development among its business segments. In fiscal year 2023, China Gas' total natural gas sales volume increased by 6.9% to 39.25 billion cubic metres, and its LPG sales volume reached 4.132 million tons, contributed profit before tax of HK\$67.889 million for the period, representing a year-on-year increase of 110%. Approximately 2.30 million households were newly connected, and the cumulative number of households connected reached approximately 45.39 million as at 31 March 2023.

## ***Water Business***

Beijing Enterprises Water Group Limited ("BE Water", stock code: 371) selected a number of established sewage treatment plants as the subjects during the period to revitalize the stock assets through asset-backed note; meanwhile comprehensively upgraded the accounts receivable management mechanism to further accelerate payment collection; and promoted inefficient assets management by ceasing new construction services for comprehensive renovation projects. BE Water's revenue for the first half of year increased by 29.0% year-on-year to HK\$13.73 billion, and profit attributable to its shareholders increased by 124% year-on-year to HK\$1.56 billion. The net profit attributable to the Group was HK\$640 million, representing an increase of 126.8% year-on-year.

As at 30 June 2023, BE Water has entered into service concession arrangements and entrustment agreements for a total of 1,447 water plants, including 1,203 sewage treatment plants, 174 water distribution plants, 69 reclaimed water treatment plants and 1 seawater desalination plant, with a total design capacity of 43.81 million tons/day.

### ***Environmental business***

At the end of the first half of the year, the environmental business segment of the Group realized a waste incineration and power generation treatment capacity of 34,307 tons/day. During the period, the primary business indicators of EEW Energy from Waste GmbH (“EEW GmbH”) remained healthy and accomplished a waste treatment volume of 2.38 million tons, which was broadly unchanged year-on-year, accomplishing energy sales of 2.517 billion kWh, with revenue of HK\$3.09 billion for the year.

In the first half of the year, the domestic environmental business segment of the Group recorded a waste treatment volume of 3.3636 million tons, representing a year-on-year increase of 15.8%. It completed an on grid power generation volume of 1.079 billion kWh, representing a year-on-year increase of 25%. The solid waste projects in China, including Beijing Enterprises Environment Group Limited (“BE Environment”, stock code: 154) and Beijing Enterprises Holdings Environment Technology Co., Ltd (“BEHET”) achieved a total revenue of HK\$1.64 billion during the period, representing a year-on-year increase of 11.6%. The profit attributable to the shareholders of the Group was HK\$269 million, an increase of 141.6% year-on-year. During the period, the domestic environmental business segment had deepened its consolidation and integration, unleashed synergy, kept venturing forward the structural reform of supply side, and further reinforced its market position with its sizable and professional business, by which it could promote the industry concentration and optimize the environment for industrial competition.

### ***Beer business***

During the period, adhering to its core strategy, Beijing Yanjing Brewery Co., Ltd. (“Yanjing Brewery”, A share Stock Code: 000729.SZ) had seen a continuous increase in its key economic indicators. It has steadily promoted the establishment of an outstanding management system, and kept improving the quality of products and efficiency of operation. It also enhanced its brand reputation and refreshed its brand image, systematically promoted the governance of loss-making corporations to improve management efficiency, and meanwhile strengthened corporate governance, improved the quality of information disclosure, and enhanced market recognition. Yanjing Brewery achieved a sales volume of 2.29 million kilolitres during the Reporting Period, representing a year-on-year increase of 6.4%, of which, the sales volume of Yanjing U8 recorded 312,000 kilolitres, representing a year-on-year increase of 46%.

The revenue that Beijing Yanjing Brewery Investments Co., Limited (北京燕京啤酒投资有限公司) (“Yanjing Limited”, the direct holding company of Yanjing Brewery), which is held by the Company, recorded during the period was HK\$7.72 billion, representing a year-on-year increase of 6.3%, with its profit before taxation of HK\$773 million, representing a year-on-year increase of 29.5%. The capital expenditure of Yanjing Limited for the first half of the year was approximately HK\$303 million.

## **II. Prospects**

The current prospect for robust recovery of the global economy remains uncertain. The pressure from inflation has not faded, and the interest rate is still rising, which hindered the pace of growth of China's economy to a certain extent, and also presented certain challenges to the industrial operation of the Group. In the second half of the year, the Group will continue to progress each key tasks for the year, seize opportunities, explore and innovate, in a bid to fully release the new growing impetus.

### ***Natural gas distribution business of Beijing Gas***

In the second half of the year, Beijing Gas will continue to proceed the pilot production and operation of Nangang LNG project, and ensure the smooth commencement of the phase one project. It will also continue to reinforce the market in Beijing, explore incremental market projects in competing areas, and strengthen the exploration in the outside ports. Beijing Gas will advance the development of LNG business positively and steadily, further optimize its LNG business structure, promote high-quality development for the consolidated energy projects, solicit for the support from government policies; we will also promote high-quality development of new energy business and make a blueprint for the development direction of new energy business.

### ***China Gas***

With the impact of the pandemic fades, the economic dynamics in the society gradually recovers, and the demand of citizens and industries for gas is expected to rebound in order. China Gas will adhere to the core principle of “intensive cultivation for integrity and innovation”, to fully boost its vitality in value creation, steadily develop its natural gas business and promote the innovation and growth of emerging businesses. China Gas will actively gain foothold in green and alternative energy businesses, devoted efforts in developing clean energy businesses such as carbon peaking and carbon neutrality as well as new energy, and accelerate the establishment of a modern digital energy services system, with an aim to bring the digital transformation to the supply chain system, empower the supply chain ecosystem and back the partners from both the upstream and downstream in the supply chain.

### ***Water business***

In the second half of the year, BE Water will focus on core keys and promote the implementation of its strategies. It will place high importance on cash collection efforts and adhere to the improvement of fundamentals of cash collection as its top priority. Strict control will be exercised over investments in the second half of the year. Structure of the internal control management system will be strengthened to continuously enhance asset quality. Technology innovation will be utilized to drive development and deliver the value of service platforms, in order to achieve high-quality development.

### ***Environmental business***

The domestic environmental business will focus on the primary business, continuously promote the structural reform of solid waste treatment segment from the supply side, further promote a more united, consolidated and integrated domestic environmental business, reinforce its market position with its sizable and professional business, and promote the industry concentration and optimize the environment for industrial competition, so as to enhance each ability for high-quality development comprehensively.

In terms of overseas business, EEW GmbH will continuously monitor the impact of energy price fluctuations, and undertake thorough risk assessments and responses. It will accelerate the commissioning of ongoing projects to ensure timely realization of their contributions to profitability. At the same time, it will strengthen comprehensive cost control and enhance its operational management practices.

### ***Beer business***

For now, a relatively stable market competition landscape has been formed in the domestic beer industry with relatively high market concentration, and the structural upgrade of consumption promoted the swift expansion for the middle-class and high-class products. In the future, channel transformation, brand upgrade, capacity integration and organic growth will be the theme of beer industry. Yanjing Brewery will further enhance the function of its headquarters, promote the segregation of production and sales, initiate the transformation of supply chain, restructure the digital management framework, and put more efforts in the establishment of talent pool, so as to achieve high-quality, high-efficiency and sustainable development for Yanjing Brewery.

## **III. Financial Review**

### ***Revenue***

The Group's revenue from operating activities in the first half of 2023 was approximately HK\$48.36 billion, increased by 5.1% when compared with the corresponding period of last year, which was mainly due to the increase in revenue of gas sales. The revenue of gas sales was HK\$35.87 billion. The revenue of beer sales was HK\$7.72 billion. The revenue of the environmental businesses was HK\$4.73 billion, which included the revenue of EEW GmbH amounting to HK\$3.09 billion and the revenue of other environmental businesses amounting to HK\$1.64 billion in total.

### ***Cost of Sales***

Cost of sales increased by 5% to HK\$41.2 billion year-on-year. Cost of sales of gas distribution business mainly included the purchase costs of natural gas as well as the depreciation charge of gas pipeline network. Cost of sales of brewery business included raw materials, wage expenses, and absorption of certain direct overheads. Cost of sales of environmental businesses included fuel charges, amortization and waste collection costs.



### ***Gross Profit Margin***

The overall gross profit margin was 14.8%, generally on par with 14.7% of the corresponding period of last year.

### ***Other income and gains, net***

Other income and gains, net mainly comprised bank interest income amounting to HK\$417 million and government grants of HK\$173 million.

### ***Selling and Distribution Expenses***

Selling and distribution expenses of the Group in the first half of 2023 were HK\$1.04 billion, slightly decreased by 2.3% when compared with the corresponding period of last year.

### ***Administrative Expenses***

Administrative expenses of the Group in the first half of 2023 were HK\$3.39 billion, increased by 11.8% when compared with corresponding period of last year, which was mainly attributable to the increase in administrative expenses of Beijing Gas.

### ***Other Operating Income/(Expenses), net***

Other operating income/(expenses), net mainly represented the reversal of impairment of assets of the solid waste business recognised in previous years.

### ***Finance Costs***

Finance costs of the Group in the first half of 2023 were HK\$1.38 billion, increased by 51.9% when compared with corresponding period of last year, which was mainly due to the increase in cost of loans as a result of higher interest rates.

### ***Share of Profits and Losses of Associates***

Share of profits and losses of associates mainly comprised the 40% share of profit attributable to shareholders of PipeChina Beijing Pipeline Co., the 20% share of profit attributable to shareholders of VCNG, the 23.4% share of profit attributable to shareholders of China Gas and the 41.13% share of profit attributable to shareholders of BE Water.

In the first half of 2023, the Group shared the profit after taxation of PipeChina Beijing Pipeline Co., amounting to HK\$1.36 billion, the Group shared the profit after taxation of VCNG amounting to HK\$736 million, the Group shared the profit after taxation of China Gas amounting to HK\$230 million and the Group shared the net profit of BE Water amounting to HK\$640 million.

### ***Taxation***

The effective income tax rate was 20.4%, which was basically approximate to 19.2% of the corresponding period of last year.

### ***Profit Attributable to Shareholders of the Company***

The profit attributable to the shareholders of the Company in the first half of 2023 was HK\$4.65 billion which, excluding the effect of one-off events, amounted to HK\$3.92 billion, representing a decrease of 24.6% from HK\$5.2 billion for the same period last year, primarily due to the impact of the depreciation of RMB, the increase in interest rates and the decrease in profit from China Gas. It would remain the same year-on-year in general if the relevant effects were excluded.

### ***Changes of major items in the Interim Condensed Consolidated Statement of Financial Position***

#### ***Non-current Assets***

The net value of property, plant and equipment decreased by HK\$650 million as compared with that at the end of 2022, which was due to RMB depreciation offsetting the increase in construction projects of Beijing Gas.

Other intangible assets were mainly from EEW GmbH.

Investments in associates increased by HK\$963 million, which was mainly due to the Group's share of profits of VCNG, PipeChina Beijing Pipeline Co., BE Water and China Gas in the first half of the year and the net effect of RMB depreciation on the net assets of associates attributable to the Group.

The equity investments at fair value through other comprehensive income mainly represented the fair value of Beijing Gas' investment in CNPC Capital Company Limited.

The balance of receivables under a finance lease was from the relevant balance of EEW GmbH.

The balance of prepayments, other receivables and other assets increased by HK\$1.07 billion, which was primarily attributable to the time deposits and certificates of deposit with maturity over one year placed by Beijing Gas in banks.

#### ***Current Assets***

Inventories mainly represented the inventory balance of Yanjing Brewery.

The balance of trade receivables increased by HK\$590 million, which mainly represented the account receivables of Beijing Gas for selling gas during the heating season.

The balance of prepayments, other receivables and other assets decreased by HK\$1.25 billion, which was mainly because the dividends receivables of PipeChina Beijing Pipeline Co. at the end of 2022 were received during the period.

Cash and bank deposits balance increased by HK\$1.33 billion to HK\$32.68 billion, which was approximate to that at the end of 2022, representing abundant cash resources.

### *Non-current Liabilities*

The balance of bank and other borrowings increased by HK\$2.74 billion, which was mainly due to the refinancing of matured bank loans with medium- and long-term bank loans during the period.

The balance of guaranteed bonds and notes was basically approximate to that at the end of 2022.

The balance of corporate bonds was RMB4 billion corporate bonds issued during the period.

The provision for onerous contracts and major overhauls were mainly from EEW GmbH.

### *Current Liabilities*

The balance of trade and bills payables decreased by HK\$1.02 billion, which was mainly due to partial payment of contract amounts by Beijing Gas during the period.

Other payables, accruals and contract liabilities increased by HK\$863 million, which was mainly due to the increase in deposits payable by Yanjing Brewery to customers.

The balance of bank and other borrowings decreased by HK\$2.79 billion, which was mainly due the refinancing of matured bank loans with medium- and long-term bank loans during the period.

## **IV. Financial Position of the Group**

### *Cash and Bank Borrowings*

As at 30 June 2023, cash and bank deposits held by the Group amounted to HK\$32.68 billion, representing an increase of HK\$1.33 billion as compared with that at the end of 2022.

The Group's total borrowings amounted to HK\$81.92 billion as at 30 June 2023, which mainly comprised guaranteed bonds and notes of US\$1.8 billion in total, Euro guaranteed bonds amounting to EUR900 million, corporate bonds amounting to RMB4 billion, short-term loans amounting to EUR1.34 billion and medium- and long-term loans amounting to HK\$20.2 billion.

### *Liquidity and Capital Resources*

The Group maintains sufficient banking facilities both in Hong Kong and Mainland China for its working capital requirements and has abundant cash resources to finance its capital expenditures in the foreseeable future.

As at 30 June 2023, the issued capital of the Company was 1,260,203,268 shares and equity attributable to shareholders of the Company was HK\$89.61 billion. Total equity was HK\$102.62 billion when compared with HK\$103.04 billion as at the end of 2022. The gearing ratio, being interest-bearing bank borrowings, guaranteed bonds and notes and corporate bonds divided by the sum of total equity, interest-bearing bank borrowings, guaranteed bonds and notes and corporate bonds, was 44% (31 December 2022: 43%).

### ***Foreign Exchange Exposure***

The majority of the subsidiaries of the Company are operating in the PRC with most of the transactions denominated and settled in RMB. Currently, the Group is not using any derivative financial instruments to hedge against its risk on foreign exchange rates' fluctuation.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 Unaudited	2022 HK\$'000 Unaudited (Restated)
REVENUE		48,363,805	46,025,217
Cost of sales		<u>(41,197,660)</u>	<u>(39,242,806)</u>
Gross profit		7,166,145	6,782,411
Other income and gains, net	4	913,865	1,195,297
Selling and distribution expenses		(1,037,724)	(1,062,057)
Administrative expenses		(3,391,963)	(3,033,122)
Other operating income/(expenses), net		575,981	(178,551)
Finance costs	5	(1,377,435)	(906,875)
Share of profits and losses of:			
Joint ventures		(27,215)	(5,460)
Associates		<u>3,174,011</u>	<u>3,247,404</u>
<b>PROFIT BEFORE TAX</b>	6	<b>5,995,665</b>	6,039,047
Income tax	7	<u>(580,717)</u>	<u>(538,052)</u>
<b>PROFIT FOR THE PERIOD</b>		<b><u>5,414,948</u></b>	<b><u>5,500,995</u></b>
<b>ATTRIBUTABLE TO:</b>			
Shareholders of the Company		4,648,769	5,028,959
Non-controlling interests		<u>766,179</u>	<u>472,036</u>
		<b><u>5,414,948</u></b>	<b><u>5,500,995</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	9		
Basic and diluted		<b><u>HK\$3.69</u></b>	<b><u>HK\$3.99</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*Six months ended 30 June 2023*

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>Unaudited</b>	Unaudited
<b>PROFIT FOR THE PERIOD</b>	<b><u>5,414,948</u></b>	<b><u>5,500,995</u></b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<b>(3,970,427)</b>	(2,325,741)
Share of other comprehensive loss of associates	<b><u>(717,575)</u></b>	<u>(730,466)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<b><u>(4,688,002)</u></b>	<u>(3,056,207)</u>
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Defined benefit plans:		
Actuarial gains, net	<b>70,151</b>	320,661
Income tax effect	<b><u>(17,456)</u></b>	<u>(101,449)</u>
	<b><u>52,695</u></b>	<u>219,212</u>
Equity investments at fair value through other comprehensive income:		
Changes in fair value	<b>481,612</b>	(303,938)
Income tax effect	<b><u>(117,963)</u></b>	<u>27,423</u>
	<b><u>363,649</u></b>	<u>(276,515)</u>
Share of other comprehensive income/(loss) of associates	<b><u>(8,905)</u></b>	<u>693</u>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<b><u>407,439</u></b>	<u>(56,610)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX</b>	<b><u>(4,280,563)</u></b>	<u>(3,112,817)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>1,134,385</u></b>	<b><u>2,388,178</u></b>
<b>ATTRIBUTABLE TO:</b>		
Shareholders of the Company	<b>852,257</b>	2,455,726
Non-controlling interests	<b><u>282,128</u></b>	<u>(67,548)</u>
	<b><u>1,134,385</u></b>	<b><u>2,388,178</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	<i>Notes</i>	<b>30 June 2023</b>	31 December 2022
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>			
Non-current assets:			
Property, plant and equipment		<b>63,141,819</b>	63,791,450
Investment properties		<b>1,287,150</b>	1,344,330
Right-of-use assets		<b>2,176,017</b>	2,296,432
Goodwill		<b>16,369,312</b>	16,254,813
Operating concessions		<b>6,327,435</b>	5,702,340
Other intangible assets		<b>2,843,352</b>	2,890,378
Investments in joint ventures		<b>304,559</b>	252,153
Investments in associates		<b>65,328,187</b>	64,365,327
Equity investments at fair value through other comprehensive income		<b>2,524,626</b>	2,253,564
Receivables under service concession arrangements	<i>10</i>	<b>3,499,307</b>	3,363,763
Receivable under a finance lease		<b>380,210</b>	426,728
Prepayments, other receivables and other assets		<b>5,782,543</b>	4,707,917
Deferred tax assets		<b>1,762,993</b>	1,784,822
		<hr/>	<hr/>
Total non-current assets		<b>171,727,510</b>	169,434,017
Current assets:			
Inventories		<b>6,152,090</b>	5,680,631
Receivables under service concession arrangements	<i>10</i>	<b>139,597</b>	137,412
Receivable under a finance lease		<b>101,129</b>	100,011
Trade receivables	<i>11</i>	<b>6,151,690</b>	5,561,634
Prepayments, other receivables and other assets		<b>6,471,419</b>	7,723,886
Other tax recoverables		<b>402,829</b>	446,764
Financial assets at fair value through profit or loss		<b>750,000</b>	–
Restricted cash and pledged deposits		<b>55,298</b>	171,940
Cash and cash equivalents		<b>32,677,455</b>	31,347,261
		<hr/>	<hr/>
		<b>52,901,507</b>	51,169,539
Assets of disposal groups classified as held for sale		–	467,811
		<hr/>	<hr/>
Total current assets		<b>52,901,507</b>	51,637,350
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>224,629,017</b>	221,071,367
		<hr/>	<hr/>

		<b>30 June 2023</b>	31 December 2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>Unaudited</b>	<b>Audited</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	12	<b>30,401,883</b>	30,401,883
Reserves		<b>59,205,281</b>	59,518,082
		<b>89,607,164</b>	89,919,965
<b>Non-controlling interests</b>		<b>13,009,992</b>	13,118,732
<b>TOTAL EQUITY</b>		<b>102,617,156</b>	103,038,697
Non-current liabilities:			
Bank and other borrowings		<b>34,145,561</b>	31,409,002
Guaranteed bonds and notes		<b>21,606,827</b>	21,368,996
Corporate bonds		<b>4,345,608</b>	–
Lease liabilities		<b>463,812</b>	483,773
Defined benefit obligations		<b>2,183,415</b>	2,245,758
Provision for major overhauls and onerous contracts		<b>262,089</b>	257,907
Other non-current liabilities		<b>2,179,464</b>	2,134,779
Deferred tax liabilities		<b>2,386,846</b>	2,376,864
Total non-current liabilities		<b>67,573,622</b>	60,277,079
Current liabilities:			
Trade and bills payables	13	<b>4,525,767</b>	5,549,248
Other payables, accruals and contract liabilities		<b>26,293,975</b>	25,431,171
Provision for major overhauls and onerous contracts		<b>48,504</b>	47,426
Income tax payables		<b>975,855</b>	1,025,808
Other tax payables		<b>557,998</b>	448,837
Bank and other borrowings		<b>21,820,805</b>	24,613,662
Lease liabilities		<b>215,335</b>	362,009
		<b>54,438,239</b>	57,478,161
Liabilities directly associated with the assets of disposal groups classified as held for sale		–	277,430
Total current liabilities		<b>54,438,239</b>	57,755,591
<b>TOTAL LIABILITIES</b>		<b>122,011,861</b>	118,032,670
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>224,629,017</b>	221,071,367



## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION:

### 1. BASIS OF PREPARATION AND PRESENTATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 set out in this announcement has been prepared in accordance with the applicable disclosure requirements of Appendix 16 of The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022.

The accounting policies and basis of preparation used in the preparation of the unaudited interim condensed consolidated financial information are consistent with those adopted in the Group’s annual consolidated financial statements for the year ended 31 December 2022, which 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, except for the adoption of the new and revised HKFRSs, as disclosed in note 2 below.

In preparing the unaudited interim condensed consolidated financial information, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets as at 30 June 2023. Taking into account the historical operating performance of the Group and the following: (a) issued medium-term notes and corporate bonds in a total principal amounts of RMB3 billion and RMB1 billion to qualified investors in the People’s Republic of China (the “PRC”) on 14 July 2023 and 20 July 2023, respectively; (b) a subsidiary of the Group received a new term loan facility of RMB4.5 billion in July 2023; (c) a subsidiary of the Group accepted a facility letter of RMB2 billion in August 2023; and (d) listed investments of the Group could be realised immediately for funds to enable the Group to meet its liabilities as and when they fall due, the directors of the Company considered that the Group will be able to operate as a going concern. Accordingly, the unaudited interim condensed consolidated financial information has been prepared on a going concern basis.

The financial information relating to the year ended 31 December 2022 included in this unaudited interim condensed consolidated financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to those statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

*The Company has delivered the consolidated financial statements for the year ended 31 December 2022 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 Company for the year ended 31 December 2022. 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 Hong Kong Companies Ordinance.*

This interim condensed consolidated financial information has not been audited, but has been reviewed by the Company’s audit committee.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial information:

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The adoption of the above new and revised HKFRSs has had no significant financial effect on this unaudited interim condensed consolidated financial information and there has been no significant changes to the accounting policies applied in this unaudited condensed consolidated financial information.

## 3. OPERATING SEGMENT INFORMATION

For management purpose, 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.

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 the profit for the period of each reportable operating segment, which is measured consistently with the Group's profit for the period.

In order to better monitor the operating performance of the Group's property investment business which is included in the "Corporate and others" operating segment, the management decided to consider it as a principal activity of the Group in the second half of 2022. Accordingly, revenue and direct operating expenses associated with the property investment business are classified as "Revenue" and "Cost of sales" starting from the year ended 31 December 2022. In this regard, the corresponding amounts for the six months ended 30 June 2022 have been reclassified and restated to conform to the current period's presentation.

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2023 and 2022:

**Six months ended 30 June 2023**

	Gas operation <i>HK\$'000</i> Unaudited	Water operation <i>HK\$'000</i> Unaudited	Environmental operation <i>HK\$'000</i> Unaudited	Brewery operation <i>HK\$'000</i> Unaudited	Corporate and others <i>HK\$'000</i> Unaudited	Consolidated <i>HK\$'000</i> Unaudited
Segment revenue	35,868,153	–	4,733,064	7,717,608	44,980	48,363,805
Cost of sales	<u>(32,799,609)</u>	–	<u>(3,443,089)</u>	<u>(4,940,236)</u>	<u>(14,726)</u>	<u>(41,197,660)</u>
Gross profit	<u>3,068,544</u>	–	<u>1,289,975</u>	<u>2,777,372</u>	<u>30,254</u>	<u>7,166,145</u>
Profit from operating activities	1,670,358	–	1,599,212	798,968	157,766	4,226,304
Finance costs	(216,282)	–	(83,841)	(36,444)	(1,040,868)	(1,377,435)
Share of profits and losses of:						
Joint ventures	(29,832)	–	2,617	–	–	(27,215)
Associates	<u>2,485,835</u>	<u>640,204</u>	<u>37,932</u>	<u>10,040</u>	–	<u>3,174,011</u>
Profit/(loss) before tax	3,910,079	640,204	1,555,920	772,564	(883,102)	5,995,665
Income tax	<u>(190,550)</u>	–	<u>(193,260)</u>	<u>(141,578)</u>	<u>(55,329)</u>	<u>(580,717)</u>
<b>Profit/(loss) for the period</b>	<u>3,719,529</u>	<u>640,204</u>	<u>1,362,660</u>	<u>630,986</u>	<u>(938,431)</u>	<u>5,414,948</u>
<b>Segment profit/(loss) attributable to shareholders of the Company</b>	<u>3,684,448</u>	<u>640,204</u>	<u>1,152,474</u>	<u>234,970</u>	<u>(1,063,327)</u>	<u>4,648,769</u>

Six months ended 30 June 2022 (restated)

	Gas operation HK\$'000 Unaudited	Water operation HK\$'000 Unaudited	Environmental operation HK\$'000 Unaudited	Brewery operation HK\$'000 Unaudited	Corporate and others HK\$'000 Unaudited	Consolidated HK\$'000 Unaudited
Segment revenue	34,162,332	–	4,566,521	7,260,308	36,056	46,025,217
Cost of sales	<u>(31,133,094)</u>	<u>–</u>	<u>(3,287,062)</u>	<u>(4,807,380)</u>	<u>(15,270)</u>	<u>(39,242,806)</u>
Gross profit	<u>3,029,238</u>	<u>–</u>	<u>1,279,459</u>	<u>2,452,928</u>	<u>20,786</u>	<u>6,782,411</u>
Profit/(loss) from operating activities	2,128,214	–	1,019,227	607,632	(51,095)	3,703,978
Finance costs	(212,365)	–	(96,807)	(25,329)	(572,374)	(906,875)
Share of profits and losses of:						
Joint ventures	(5,460)	–	–	–	–	(5,460)
Associates	<u>2,932,246</u>	<u>282,207</u>	<u>18,692</u>	<u>14,259</u>	<u>–</u>	<u>3,247,404</u>
Profit/(loss) before tax	4,842,635	282,207	941,112	596,562	(623,469)	6,039,047
Income tax	<u>(157,567)</u>	<u>–</u>	<u>(259,607)</u>	<u>(108,533)</u>	<u>(12,345)</u>	<u>(538,052)</u>
<b>Profit/(loss) for the period</b>	<u>4,685,068</u>	<u>282,207</u>	<u>681,505</u>	<u>488,029</u>	<u>(635,814)</u>	<u>5,500,995</u>
<b>Segment profit/(loss) attributable to shareholders of the Company</b>	<u>4,668,348</u>	<u>282,207</u>	<u>527,719</u>	<u>186,489</u>	<u>(635,804)</u>	<u>5,028,959</u>

During each of the six months ended 30 June 2023 and 2022, no single external customer contributed 10% or more of the Group's revenue.

#### 4. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2023 HK\$'000 Unaudited	2022 HK\$'000 Unaudited (Restated)
Bank interest income	416,526	328,393
Finance income on the net investment in a finance lease	17,838	25,141
Investment income of a financial asset at fair value through profit or loss	–	157,287
Government grants	172,856	139,570
Transfer of assets from customers	15,361	21,921
Gain on disposal of a right-of-use asset	–	57,306
Foreign exchange differences, net	14,062	232,287
Others	277,222	233,392
	<hr/>	<hr/>
Other income and gains, net	913,865	1,195,297

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2023 HK\$'000 Unaudited	2022 HK\$'000 Unaudited
Interest on bank loans and other loans	1,041,451	487,332
Interest on guaranteed bonds and notes	287,539	410,727
Interest on corporate bonds	36,215	–
Interest on lease liabilities	17,829	21,440
	<hr/>	<hr/>
Total interest expenses	1,383,034	919,499
Increase in discounted amounts of provision for major overhauls arising from the passage of time	325	330
	<hr/>	<hr/>
Total finance costs	1,383,359	919,829
Less: Interest capitalised	(5,924)	(12,954)
	<hr/>	<hr/>
	1,377,435	906,875

## 6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2023 HK\$'000 Unaudited	2022 HK\$'000 Unaudited
Depreciation of property, plant and equipment	1,980,063	1,999,619
Depreciation of right-of-use assets	140,923	193,053
Amortisation of operating concessions	115,620	117,449
Amortisation of other intangible assets	130,578	122,068
Loss on disposal of items of property, plant and equipment, net	1,187	52,679
Reversal of impairment of operating concessions	(655,795)	–

## 7. INCOME TAX

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

	Six months ended 30 June	
	2023 HK\$'000 Unaudited	2022 HK\$'000 Unaudited
Current:		
Mainland China	543,616	306,402
Germany	173,330	245,081
Others	15,861	46,365
Deferred	(152,090)	(59,796)
Total tax expense for the period	580,717	538,052

## 8. INTERIM DIVIDEND

On 30 August 2023, the Board declared an interim cash dividend of HK93 cents per share (six months ended 30 June 2022: HK50 cents per share), totalling approximately HK\$1,171,989,000 (six months ended 30 June 2022: HK\$630,627,000) for the six months ended 30 June 2023.

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

The calculation of basic earnings per share amount is based on the profit attributable to shareholders of the Company of HK\$4,648,769,000 (six months ended 30 June 2022: HK\$5,028,959,000), and the weighted average number of ordinary shares of 1,260,203,268 (six months ended 30 June 2022: 1,261,277,025) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for each of the six months ended 30 June 2023 and 2022 for a dilution as the dilutive potential ordinary shares of associates in issue during these periods either have a minimal impact or have no diluting effect on the earnings per share amounts presented.

## 10. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group's receivables under service concession arrangements represented the Group's unconditional right to receive cash or another financial asset for the construction services rendered and/or the consideration paid and payable by the Group for the right to charge users of the public service under service concession arrangements. They were all unbilled as at 30 June 2023 and 31 December 2022.

## 11. TRADE RECEIVABLES

The various group companies have different credit policies, depending on the requirements of their markets and the businesses which they operate. Ageing analysis of trade receivables is prepared and closely monitored in order to minimise any credit risk associated with the receivables. The Group does not hold any collateral or other credit enhancement over its trade receivables.

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

	<b>30 June 2023 HK\$'000 Unaudited</b>	31 December 2022 HK\$'000 Audited
Billed:		
Within one year	5,397,153	1,887,941
One to two years	123,048	172,132
Two to three years	40,517	20,784
Over three years	6,337	6,387
	<u>5,567,055</u>	2,087,244
Unbilled*	584,635	3,474,390
	<u>6,151,690</u>	<u>5,561,634</u>

\* *The unbilled balance was attributable to (i) the sale of natural gas near the period/year end date and such sale will be billed in the next meter reading date; and (ii) entitlements to renewable energy tariff subsidies from the sale of electricity generated from waste incineration.*

## 12. SHARE CAPITAL

	<b>30 June 2023 HK\$'000 Unaudited</b>	31 December 2022 HK\$'000 Audited
Issued and fully paid:		
1,260,203,268 ordinary shares	30,401,883	30,401,883

### 13. TRADE AND BILLS PAYABLES

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

	<b>30 June 2023 HK\$'000 Unaudited</b>	31 December 2022 HK\$'000 Audited
Billed:		
Within one year	<b>3,696,646</b>	4,262,278
One to two years	<b>256,497</b>	246,742
Two to three years	<b>21,663</b>	18,311
Over three years	<b>19,818</b>	17,825
	<b>3,994,624</b>	4,545,156
Unbilled*	<b>531,143</b>	1,004,092
	<b>4,525,767</b>	5,549,248

\* *The unbilled balance was attributable to (i) purchase of natural gas near the period end which was billed subsequently in early July 2023; and (ii) accrued extra purchase costs which will be billed when the price is agreed by Beijing Gas with the supplier; and (iii) accrued construction costs for solid waste incineration plant and ecological construction services which have not been billed by the suppliers.*

### 14. EVENTS AFTER THE REPORTING PERIOD

- (a) On 14 July 2023 and 20 July 2023, the Company issued medium-term notes and corporate bonds in total principal amounts of RMB3 billion and RMB1 billion to qualified investors in the PRC, respectively. These medium-term notes and corporate bonds have a term of 3 years with the maturity dates in July 2026 and bear interest at the coupon rate of 2.89% and 2.86% per annum, respectively. The proceeds from the issuance of these medium-term notes and corporate bonds are intended to be used for the repayment of the Group's existing bank loans.
- (b) On 28 August 2023 (the "Effective Date"), a financial services agreement (the "Financial Services Agreement") was approved at an extraordinary general meeting, pursuant to which, 北京控股集团财务有限公司 ("BE Group Finance") shall provide financial services to the Group, including deposit services and loan services for three years from the Effective Date. The cumulative daily outstanding deposits balance placed by the Group with BE Group Finance (including any interest accrued thereon) during the term of the Financial Services Agreement will not exceed RMB8.70 billion (equivalent to approximately HK\$9.56 billion).

### 15. COMPARATIVE AMOUNTS

As further detailed in note 3 above, the directors decided to consider the property investment business of the Group as a principal activity of the Group in the second half of 2022. Accordingly, certain comparative amounts have been reclassified and restated to conform to the current period's presentation.



## **INTERIM DIVIDEND**

The board of directors of the Company has resolved to declare an interim cash dividend for the six months ended 30 June 2023 of HK93 cents (2022: HK50 cents) per share, which will be payable on 27 October 2023 to shareholders whose names appear on the register of members of the Company on 28 September 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

The Company's register of members will be closed from Tuesday, 26 September 2023 to Thursday, 28 September 2023, both dates inclusive, during which period, no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 25 September 2023.

## **EMPLOYEES**

At 30 June 2023, the Group had approximately 34,000 employees. The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Group's employee remuneration policy and package are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

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

The directors of the Company believe that the Company complied with the code provisions of the "Corporate Governance Code" as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2023.

## **COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SHARE DEALING**

The Company 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 to govern securities transactions by the directors of the Company. After having made specific enquiry to all directors of the Company, all directors of the Company confirm that they complied with the "Model Code" during the six months ended 30 June 2023.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Wu Jiesi, Mr. Lam Hoi Ham (Chairman of Audit Committee) and Dr. Yu Sun Say. The Audit Committee of the Company has already reviewed the unaudited interim results for the six months ended 30 June 2023 and considers that appropriate accounting policies have been adopted in preparation of the relevant results and sufficient disclosures have been made.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the six months ended 30 June 2023.

## **PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the Company's website (www.behl.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The interim report will be sent to the shareholders of the Company and will be published on the websites of the Company and the Stock Exchange in due course.

By order of the Board  
**Beijing Enterprises Holdings Limited**  
**Dai Xiaofeng**  
*Chairman*

Hong Kong, 30 August 2023

*As at the date of this announcement, the board of directors of the Company comprises Mr. Dai Xiaofeng (Chairman), Mr. Jiang Xinhao (Vice Chairman), Mr. Xiong Bin (Chief Executive Officer), Mr. Geng Chao and Mr. Tam Chun Fai as executive directors; Mr. Wu Jiesi, Mr. Lam Hoi Ham, Dr. Yu Sun Say and Ms. Chan Man Ki Maggie as independent non-executive directors.*