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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 2022

HIGHLIGHTS

- Revenue for the first half of 2022 amounted to approximately HK\$45.99 billion, representing an increase of 13.9% over the corresponding period of last year.
- Profit attributable to shareholders of the Company for the first half of 2022 amounted to HK\$5.03 billion.
- After excluding the effect of one-off events, profit attributable to shareholders of the Company amounted to HK\$5.47 billion, representing an increase of 10.8% as compared with HK\$4.94 billion over the corresponding period of last year.
- Basic earnings per share attributable to shareholders of the Company amounted to HK\$3.99.
- An interim cash dividend of HK50 cents per share is declared for the six months ended 30 June 2022.

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 2022 (the “Reporting Period”) together with the comparative figures in 2021. The consolidated revenue of the Group for the first half of 2022 was HK\$45.99 billion, representing an increase of 13.9% over the corresponding period of last year. Profit attributable to shareholders of the Company was HK\$5.03 billion. After excluding the effect of one-off events, profit attributable to shareholders of the Company amounted to HK\$5.47 billion, representing an increase of 10.8% over the corresponding period in 2021.

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

	Profit after taxation	Proportion
	<i>HK\$'000</i>	<i>%</i>
Gas operation	4,622,935	76.7
Water operation	282,207	4.7
Environmental operation	634,061	10.5
Brewery operation	488,029	8.1
Profit from major operations	6,027,232	<u>100</u>
Corporate and others	<u>(526,237)</u>	
Profit of the Group	5,500,995	
Profit attributable to non-controlling interests	<u>(472,036)</u>	
Profit attributable to shareholders of the Company	<u><u>5,028,959</u></u>	

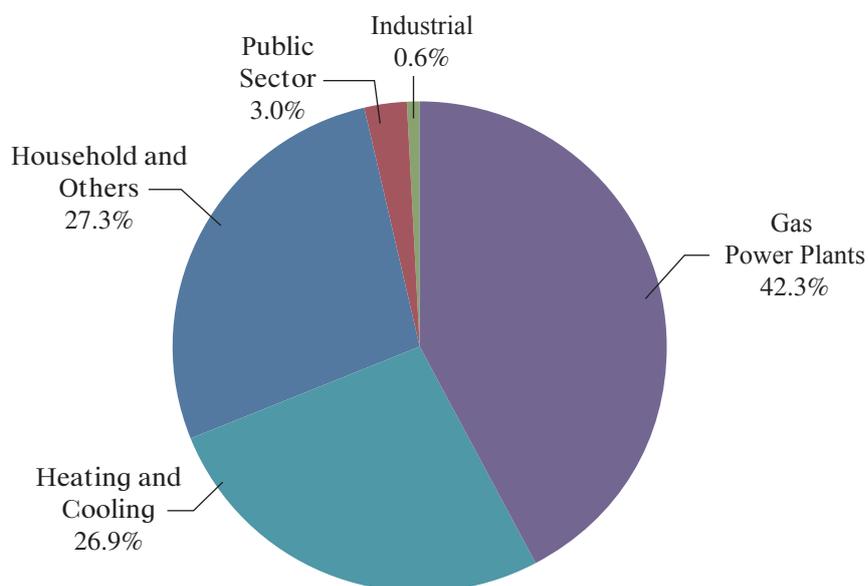
MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

In the first half of 2022 (the “Reporting Period”), compounded by international geopolitical and economic uncertainties which led to intensified worldwide inflationary pressures, the global economy, which was still in the stage of recovery from COVID-19 epidemic, faced new crisis and challenges. In encountering the complicated situation, China has made tremendous efforts to stabilise the macroeconomy, efficiently coordinated the COVID-19 prevention and control with economic and social development, further implemented various measures to maintain stable growth, and sustained long-term positive economic fundamentals. This year marks the 25th anniversary of the Company’s listing in Hong Kong. The Company insisted on reforming and innovation and stored up momentum for industrial development, with its operating results for the first half year maintained a stable growth.

Natural Gas Distribution Business of Beijing Gas

Beijing Gas Group Company Limited (“Beijing Gas”) recorded a revenue of HK\$34.16 billion in the first half of 2022, representing a year-on-year increase of 16.3%, which was primarily due to the favourable factors such as the year-on-year increase in pipeline gas sales and gas prices in Beijing, more downstream users resulting from its expansion into the market outside Beijing, and the surge in overseas LNG prices. Profit before taxation from principal businesses (including natural gas distribution business, natural gas transmission business and VCNG of Rosneft) was HK\$3.87 billion, representing an increase of 32.4% over the corresponding period of last year. The combined natural gas sales volume of Beijing Gas in the first half of the year was 10.88 billion cubic metres, of which gas sales volume within Beijing was 9.355 billion cubic metres, gas sales volume of the subsidiaries outside Beijing was 1.115 billion cubic metres and LNG international trade amounted to 528 million cubic metres. Affected by the positive factors such as temperature, the extension of heating and increasing demand, the natural gas sales volume accomplished inside Beijing increased by 5.5% year-on-year to 9.355 billion cubic meters. An analysis of the same by subscriber sector is shown as follows:



During the Reporting Period, Beijing Gas developed approximately 70,900 new household subscribers and 1,492 new public sector subscribers. New heating boiler subscribers with a capacity of 437 t/h were developed. As of 30 June 2022, Beijing Gas had a total of approximately 7.19 million gas subscribers in Beijing and approximately 30,100 kilometers of natural gas pipelines in operation. Beijing Gas' capital expenditure in the first half of the year amounted to approximately HK\$4.523 billion.

In the first half year, with safety production as the foundation, Beijing Gas propelled the construction of major projects and its key tasks steadily and orderly. During the period, the service support for the Beijing Winter Olympics and Winter Paralympic Games was successfully completed. Under the guidance of the nationwide and Beijing municipal gas safety inspection and rectification requirements, investigations and rectifications of hidden hazards in gas construction, supply and use were conducted. The principal part of the outbound pipelines for the Tianjin Nangang LNG Emergency Reserve Project was completed, and the same of its terminal project was qualified for acceptance inspection. The four storage tanks and receiving stations under the first phase was completed 85% or more. The LNG business secured a stable growth, with deepened international cooperation, while its popularity and influence in the international market had enhanced, it effectively responded to the decline in market demand and adjusted its sales strategies and export prices in a flexible manner to facilitate the scalable growth of LNG sales. It made strenuous effort in expanding new energy projects, proactively developed new markets for heating supply, and continued to develop the photovoltaic market in Beijing. The management system of value-added business had improved and while the business was developing in a regulated and healthy manner, the categories of terminal products had increased correspondingly along with the daily life usage scenarios of family.

Natural Gas Transmission Business

PipeChina Group Beijing Pipeline Co., Ltd. ("PipeChina Beijing Pipeline Co.,") recorded a gas transmission volume of 31.8 billion cubic meters in the first half of 2022, representing a year-on-year increase of approximately 19%. During the period, Beijing Gas's share of net profit after taxation, through its 40% equity interests in PipeChina Beijing Pipeline Co., amounted to HK\$1.15 billion, representing an increase of 21% when compared with the same period of last year. The total capital expenditure of PipeChina Beijing Pipeline Co., for the first half of the year was approximately HK\$120 million.

VCNG project of Rosneft

The PJSC Verkhnechonskneftegaz (“VCNG”) project of Rosneft Oil Company achieved its petroleum sales of 3.146 million tons during the Reporting Period, representing a year-on-year decrease of 7.3%. The military conflict between Russia and Ukraine did not exert any direct impact on the production and operation of the VCNG project. Beijing Gas shared a net operating profit after taxation of HK\$0.86 billion through its 20% equity interest in VCNG project in the first half of the year, representing a significant year-on-year increase, which was mainly due to an increase in international oil prices beyond expectation resulting from the military conflict between Russia and Ukraine.

China Gas

The Group’s share of profit of China Gas Holdings Limited (“China Gas”, stock code: 384) in the first half of 2022 was HK\$0.81 billion, which was calculated based on the share of profit attributable to shareholders of China Gas for the six months ended 31 March 2022 and representing a decrease of 36.5% when compared with the same period of last year. This year also marks the 20th anniversary of the founding of China Gas. Facing the internal and external environment abound with challenges and opportunities, China Gas increased the investments in digital safety management in the first half of the year, and accelerated the development of an OMP system (Operation Management Platform) with group-wide coverage and advanced technology. Meanwhile, China Gas published a carbon neutrality action report in the first half year, set the goals for carbon neutrality, and specified the path of net-zero emission, which is of great significance for realising its own low-carbon transformation and driving energy conservation, carbon reduction and green development of the industrial chain. In the 2022 fiscal year, China Gas’s total natural gas sales increased by 17.6% to 36.703 billion cubic metres; its LPG sales recorded 4.27 million tons and integrated energy sales recorded 7.6 billion KWH.

Water Business

Beijing Enterprises Water Group Limited (“BE Water”, stock code: 371) centered on its mid- to long-term strategic goals and advanced its key tasks according to planned milestones. It continued to promote technological innovation and achieve breakthroughs in major technologies. During the period, it unveiled two technical products, BEAOA and BEWG speedgrain (北控速粒), which are of paramount significance to sewage treatment, pollution reduction and carbon reduction and the virtuous circle of the ecosystem. In the first half of the year, BE Water’s revenue amounted to HK\$10.65 billion, profit attributable to its shareholders amounted to HK\$0.694 billion. The net profit attributable to the Group was HK\$0.282 billion.

As at 30 June 2022, BE Water already participated in 1,412 water plants which are or will be in operation, including 1,165 sewage treatment plants, 185 water distribution plants, 60 reclaimed water treatment plants and 2 seawater desalination plants, with a total design capacity of 45.38 million tons/day. The net increase in design capacity for the period was 0.5 million tons/day.

Environmental Business

At the end of the first half of the year, the environmental business segment of the Group realised a waste incineration and power generation treatment capacity of 30,465 tons/day. During the period, EEW Energy from Waste GmbH (“EEW GmbH”) accomplished a waste treatment volume of 2.36 million tons, which remained the same year-on-year. The sales of electricity were 866 million KWH, which remained unchanged over the same period of last year. The sales volume of heat was 503 million KWH, representing a slight year-on-year decrease. The sales volume of steam was 1.217 billion KWH, representing a year-on-year increase of 14.0%. The revenue increased by 4.4% year-on-year to HK\$3.09 billion, which was mainly due to the higher sales prices of energy (electricity, heat, steam) than that of the same period last year.

In the first half of the year, the domestic environmental business segment of the Group recorded a waste treatment volume of 2.9053 million tons, representing a year-on-year increase of 15.4%. It completed an on grid power generation volume of 862.9 million KWH, representing a year-on-year increase of 2.3%. The solid waste projects in China includes Beijing Enterprises Environment Group Limited (“BE Environment”, stock code: 154) and Beijing Enterprises Holdings Environment Technology Co., Ltd (“BEHET”) etc., together achieved a total revenue of HK\$1.475 billion during the period, representing a year-on-year increase of 16.3%. During the period, the domestic environmental business segment achieved improved enterprise operational efficiency carried out diversified operations of coordinated processing, upgraded energy-saving transformation, improved production capacity utilisation, conducted centralised procurement to reduce production costs. It stepped up efforts in facilitating the reform of loss-making enterprises by adopting the one policy for one enterprise approach, strengthened regional coordination to implement technological upgrade to improve management standards. BE Environment completed the first carbon emission quota transaction, marking a breakthrough in “carbon emission reduction”. Moreover, proactive efforts have been made for its key project, the Beihai Domestic Waste Incineration Power Generation Project. The capital expenditure for the environmental business (both domestic and overseas) during the first half of the year was approximately HK\$1.179 billion.

Beer business

Faced with multiple difficulties such as the negative impact of COVID-19 on consumption, acute market competition and surging raw material costs, Beijing Yanjing Brewery Co., Ltd. (“Yanjing Brewery”) deepened its reforms, moved forward under pressure, and achieved sound performance in overall growth in terms of key economic indicators. In the first half year, Yanjing Brewery further promoted its core strategy by firmly focusing on the U8 strategy, increased investments in marketing resources, and adopted the Online-Merge-Offline approach to form an all-round, wide-coverage, three-dimensional branding, released brand marketing potential along the entire chain to radiate the national market. During the period, new products such as “fresh beer 2022”, U8plus and high-end Lager Super12 Pilsner have been launched one after another, which further enriched the mid- and high-end product matrix. In particular, the special Yanjing 12° launched during the year won the gold medal at the first National Light Industrial Products Expo (全國輕工產品博覽會), the gold medal at the 31st Brussels Expo and other well-known domestic and international awards. Yanjing Brewery took a number of measures to actively respond to the dual pressures of COVID-19 epidemic and the rising cost of raw and auxiliary materials, locked prices in advance to control the increase in raw material costs, accelerated the pace of product mix adjustment, increased income stream, optimised production capacity, and tapped potential to reduce costs and increase efficiency to facilitate the steady growth of economic benefits. In addition, Yanjing Brewery established a ESG Development Committee during the period, formulated an ESG strategic plan, established reasonable rules of procedure, and formed a top-down ESG management organization system. It will carry out “green governance” through deep cultivation of modern governance, green environmental protection, industrial innovation, and talent cultivation, so as to improve risk response capabilities, and achieve green, low-carbon, recyclable, and sustainable development.

Benefiting from the series of reforms in product matrix, marketing layout, brand culture, Yanjing Brewery achieved a sales volume of 2.15 million kilolitres during the Reporting Period, representing a year-on-year increase of 0.9%, of which, the sales volume of Yanjing U8 recorded 214,000 kilolitres, representing a year-on-year increase of 58%, which was one of the fastest-growing bulk single product in the industry in the past two years. The revenue that Beijing Yanjing Brewery Investments Co., Limited (北京燕京啤酒投資有限公司) (“Yanjing Limited”) recorded during the period was HK\$7.26 billion, representing a year-on-year increase of 7%, with its profit before taxation of HK\$597 million, representing a year-on-year increase of 22.6%. The capital expenditure of Yanjing Limited for the first half of the year was approximately HK\$264 million.

II. PROSPECTS

At present, the Group is still bewildered by the complicated impact of many interference factors in the internal and external environment, and its industrial development is still in the critical stage of strategic transformation and upgrading. In the second half year, the Group will continue to promote the implementation of various key tasks, accelerate self-reform, promote industrial transformation and upgrading, leverage the strengths of its own capital operation to help subsidiaries to flourish new growth potential and strive to reshape the value of the capital market.

Natural gas distribution business of Beijing Gas

Beijing Gas will endeavour to support its supply and service, consolidate and increase its market scale and facilitate the integrated development of its value-added business and principal business. It will accelerate the integration of the piped gas market in Beijing, continue to develop high-quality users in Daxing, Tongzhou and Economic Development Zone. It will adopt the two approaches of piped gas replacement and liquid gas source supply to integrate the point-to-point supply market. It will accelerate the development of integrated energy and photovoltaic new energy business; continue to promote the long-term contracted procurement of LNG resources, and secure long-term resources for the Tianjin Nangang project. It will increase the sourcing and sales of domestic resources and propel the unified procurement of market-based resources for proprietary terminal piped gas to expand the liquid gas sales market. It will promote the integrated development of its value-added business and principal business to enrich terminal product offering to meet the diversified product demands from users.

VCNG of Rosneft

Although the military conflict between Russia and Ukraine has not had a substantial impact on the production and operation of the VCNG project for the time being, future changes in the military conflict between Russia and Ukraine are difficult to predict and may bring uncertainties to key factors affecting VCNG's profitability, such as oil prices, ruble exchange rates and market supply. Greater risks exist whether future investment returns will continue to be as favourable as those in the first half of this year. Accordingly, Beijing Gas will continue to monitor the development of the Russia-Ukraine situation and market changes, and actively explore measures to maintain capital security under extreme circumstances.

China Gas

In the second half year, on top of further promoting safe operation and management, China Gas will focus on digital development. Relying on the strengths of its channels, it will rapidly facilitate industrial chain extension to lead the gas business moving up to a new level. Meanwhile, it will pay close attention to national policy changes and vigorously develop value-added service business under the light-asset model. It will actively incubate and cultivate its dual-carbon and new energy business, continuously promote the innovative and sustainable development of new businesses to devote contributions in achieving the national “dual-carbon” targets.

Water business

The water business segment will pursue its medium-term and long-term strategic goals, follow its “customer-oriented and innovation-driven” business philosophy, continue to develop the traditional water services business, and actively explore new businesses such as sludge treatment, wastewater reutilisation and industrial wastewater treatment. It will constantly accelerate its digitalisation transformation, build up smart operation management capability, develop customer-oriented innovative technological products, improve operational quality excellence, enhance its core corporate competitive strengths, establish a strong brand image that customers trust, and strive for its vision of “becoming the world-class provider of reliable and leading water services and environmental services”.

Environmental business

The environmental business will focus on quality and efficiency improvement and business scope expansion. Leveraging the strengths of its platform, it will devote every effort to create a new landscape of industrial development. The Solid Waste Platform will improve the level of production and operation in an all-round way. With economic benefits improvement as a backbone, it will enhance its refined management, and make better its capabilities in cost control, energy conservation and environmental protection and intelligent operation to name a few. It will step up efforts in market development, accelerate the pace of project technology reform, and expand income stream while continuing to improve its cash flow. In the overseas markets, EEW GmbH will actively pay attention to the impact of the Russia-Ukraine situation on the economic growth of Germany and the EU, make preparations in case of shortage in supply of raw materials, auxiliary materials and operating materials as well as deteriorating market prices, and proactively communicate with all parties to minimise the uncertainty to the greatest extent caused by the disruption on project production and operation.

Beer business

The beer business segment will reinforce the strategic core position of U8 and scale up the existing achievements. With developing super bulk single product as the goal, it will concentrate on its advantageous marketing resources, and actively explore innovative model of cooperation with more business categories. It will enrich the matrix of mid-to-high-end products, increase high-end products offering, and create model product category. It will continue to strengthen the governance of loss-making enterprises, optimise production capacity layout, and perform well in idle assets transformation and reuse. It will promote the transformation of supply chain to reduce costs; accelerate the process of production system reform, propel the breadth and depth of premier management systems and optimise system-wide standardised processes.

III. FINANCIAL REVIEW

Revenue

The Group's revenue from operating activities in the first half of 2022 was approximately HK\$45.99 billion, increased by 13.9% 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\$34.16 billion. The revenue of beer sales was HK\$7.26 billion. The revenue of the environmental businesses was HK\$4.57 billion, which included the revenue of EEW GmbH amounting to HK\$3.09 billion and the revenue of other environmental businesses amounting to HK\$1.48 billion in total.

Cost of Sales

Cost of sales increased by 14.6% to HK\$39.23 billion year-on-year. Cost of sales of gas distribution business mainly included the purchase costs of natural gas as well as the depreciation charges 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, amortisation and waste collection costs.

Gross Profit Margin

The overall gross profit margin was 14.7% when compared with that of 15.2% over the same period of last year. The slight decrease in gross profit was mainly due to the increase in operating costs of Yanjing Brewery.

Gain on Deemed Disposal of Partial Interests in an Associate

In the first half of 2021, China Gas allotted 392 million ordinary shares at the price of HK\$29.75 per share during 2021, accordingly, the Group recognised a gain of HK\$1.72 billion on the deemed disposal of the partial interests in an associate as a result of the dilution in the Group's shareholding in China Gas.

There was no related gain in the first half of 2022.

Other income and gains, net

Other income and gains, net mainly comprised bank interest income amounting to HK\$328 million, investment income of a financial asset at fair value through profit or loss amounting to HK\$157 million, government grants of HK\$140 million and rental income of HK\$20 million.

Selling and Distribution Expenses

Selling and distribution expenses of the Group in the first half of 2022 were HK\$1.06 billion, decreased by 5.5% when compared with the corresponding period of last year, which was mainly due to the decrease in sales and distribution expenses of Yanjing Brewery.

Administrative Expenses

Administrative expenses of the Group in the first half of 2022 were HK\$3.03 billion, increased by 20.2% when compared with corresponding period of last year, which was mainly attributable to the increase in administrative expenses of Beijing Gas and Yanjing Brewery.

Finance Costs

Finance costs of the Group in the first half of 2022 were HK\$907 million, which was approximate to that of corresponding period in last year in general.

Share of Profits and Losses of Associates

Share of profits and losses of associates mainly included the 40% share of profit attributable to shareholders of PipeChina Beijing Pipeline Co., the 20% share of profit attributable to shareholders of VCNG, the 22.96% share of profit attributable to shareholders of China Gas and the 40.66% share of profit attributable to shareholders of BE Water.

In the first half of 2022, the Group shared the profit after taxation of PipeChina Beijing Pipeline Co., amounting to HK\$1.15 billion, the Group shared the profit after taxation of VCNG amounting to HK\$860 million, the Group shared the profit after taxation of China Gas amounting to HK\$810 million and the Group shared the net profit of BE Water amounting to HK\$282 million.

Taxation

The effective income tax rate was 19.2%, which was higher than the 14.2% in the corresponding period of last year, which was mainly due to the gain on deemed disposal of partial interests in an associate in the same period of last year that was not subject to taxation.

Profit Attributable to Shareholders of the Company

Profit attributable to shareholders of the Company in the first half of 2022 was HK\$5.03 billion.

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

Non-current Assets

The net value of property, plant and equipment increased by HK\$739 million as compared with the end of 2021, which was mainly due to the increase in construction projects of Beijing Gas.

Other intangible assets were mainly from EEW GmbH.

Investments in associates increased by HK\$2.01 billion, which was mainly due to the fact that the Group sharing the first half profits of VCNG, PipeChina Beijing Pipeline Co., BE Water and China Gas.

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 decreased by HK\$397 million, which was mainly due to the decrease in balance of prepaid project amounts by Beijing Gas for the LNG project in Nangang, Tianjin.

Financial asset at fair value through profit or loss mainly represented the fair value of Beijing Gas' investment in Beijing Guolian Energy Industrial Investment Fund (L.P.).

Current Assets

Inventories mainly represented the inventory balance of Yanjing Brewery.

The balance of trade receivables increased by HK\$1.43 billion, 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 increased HK\$1.17 billion, which was mainly due to dividends receivables of VCNG and PipeChina Beijing Pipeline Co..

Cash balance was HK\$31.29 billion, decreased by HK\$1.95 billion as compared with the balance at the end of 2021, which was mainly due to repayment of bank loans and payment of project amounts by Beijing Gas during the period.

Non-current Liabilities

The balance of bank and other borrowings was basically unchanged as compared with that at the end of 2021.

The balance of guaranteed bonds and notes increased by HK\$3.45 billion, which was mainly due to the issuance of US\$500 million guaranteed bonds by Beijing Gas during the period in exchange for US dollar guaranteed bonds with equal amounts when due.

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

Current Liabilities

The balance of trade and bills payables decreased by HK\$336 million, which was mainly due to partial payment of project amounts by Beijing Gas during the period.

Other payables, accruals and contract liabilities increased by HK\$2.73 billion, which was mainly due to the increase in project amounts payable of the LNG project of Beijing Gas in Nangang, Tianjin.

The balance of guaranteed bonds and notes decreased by HK\$17.17 billion, which was mainly due to the replacement of EUR800 million guaranteed bonds and US\$800 million guaranteed notes when due with bridge bank loans during the period.

The balance of bank and other borrowings increased by HK\$13.14 billion, which was mainly due to the replacement of guaranteed bonds and guaranteed notes when due with bridge bank loans during the period.

IV. FINANCIAL POSITION OF THE GROUP

Cash and Bank Borrowings

As at 30 June 2022, cash and bank deposits held by the Group amounted to HK\$31.29 billion, representing a decrease of HK\$1.95 billion as compared with that at the end of 2021.

The Group's total borrowings amounted to HK\$71.83 billion as at 30 June 2022, which mainly comprised guaranteed bonds and notes of US\$1.8 billion in total, Euro guaranteed bonds amounting to EUR900 million, bridge loans amounting to US\$800 million, bridge loans amounting to EUR800 million and medium- and long-term loans amounting to HK\$20.1 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 2022, the issued capital of the Company was 1,261,253,268 shares and equity attributable to shareholders of the Company was HK\$96.23 billion. Total equity was HK\$109.06 billion when compared with HK\$109.07 billion as at the end of 2021. The gearing ratio, being interest-bearing bank borrowings, guaranteed bonds and notes divided by the sum of total equity, interest-bearing bank borrowings, guaranteed bonds and notes, was 40% (31 December 2021: 40%).

Foreign Exchange Exposure

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 has not used any derivative financial instruments to hedge against its risk on foreign exchange rates' fluctuation.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	<i>Notes</i>	Six months ended 30 June	
		2022	2021
		Unaudited	Unaudited
		<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE		45,989,161	40,388,185
Cost of sales		<u>(39,227,536)</u>	<u>(34,237,613)</u>
Gross profit		6,761,625	6,150,572
Gain on deemed disposal of partial interests in an associate	10	–	1,717,201
Other income and gains, net	4	1,216,083	987,788
Selling and distribution expenses		(1,062,057)	(1,123,681)
Administrative expenses		(3,033,122)	(2,522,990)
Other operating expenses, net		(178,551)	(301,502)
Finance costs	5	(906,875)	(896,581)
Share of profits and losses of:			
Joint ventures		(5,460)	8,813
Associates		<u>3,247,404</u>	<u>3,288,918</u>
PROFIT BEFORE TAX	6	6,039,047	7,308,538
Income tax	7	<u>(538,052)</u>	<u>(571,106)</u>
PROFIT FOR THE PERIOD		<u>5,500,995</u>	<u>6,737,432</u>
ATTRIBUTABLE TO:			
Shareholders of the Company		5,028,959	6,315,858
Non-controlling interests		<u>472,036</u>	<u>421,574</u>
		<u>5,500,995</u>	<u>6,737,432</u>
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	9		
Basic and diluted		<u>HK\$3.99</u>	<u>HK\$5.00</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	Unaudited	Unaudited
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	<u>5,500,995</u>	<u>6,737,432</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(2,325,741)	946,960
Share of other comprehensive income/(loss) of associates	<u>(730,466)</u>	<u>741,741</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>(3,056,207)</u>	<u>1,688,701</u>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Defined benefit plans:		
Actuarial gains, net	320,661	163,335
Income tax effect	<u>(101,449)</u>	<u>(47,436)</u>
	<u>219,212</u>	<u>115,899</u>
Equity investments at fair value through other comprehensive income:		
Changes in fair value	(303,938)	(229,088)
Income tax effect	<u>27,423</u>	<u>55,766</u>
	<u>(276,515)</u>	<u>(173,322)</u>
Share of other comprehensive income of associates	<u>693</u>	<u>4,501</u>

	Six months ended 30 June	
	2022	2021
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(56,610)</u>	<u>(52,922)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX	<u>(3,112,817)</u>	<u>1,635,779</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,388,178</u>	<u>8,373,211</u>
ATTRIBUTABLE TO:		
Shareholders of the Company	2,455,726	7,840,718
Non-controlling interests	<u>(67,548)</u>	<u>532,493</u>
	<u>2,388,178</u>	<u>8,373,211</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

		30 June 2022	31 December 2021
		Unaudited	Audited
	Notes	HK\$'000	HK\$'000
ASSETS			
Non-current assets:			
Property, plant and equipment		61,373,725	60,634,700
Investment properties		1,174,385	1,213,849
Right-of-use assets		2,324,001	2,470,636
Goodwill		15,714,159	16,253,581
Operating concessions		5,326,262	5,297,244
Other intangible assets		2,863,439	3,183,885
Investments in joint ventures		319,083	333,274
Investments in associates		68,460,484	66,452,026
Equity investments at fair value through other comprehensive income		2,417,744	2,802,836
Financial asset at fair value through profit or loss		2,371,849	2,523,115
Receivables under service concession arrangements	11	3,383,746	3,365,226
Receivable under a finance lease		463,316	556,361
Prepayments, other receivables and other assets		2,426,410	2,823,303
Deferred tax assets		2,004,199	2,102,515
Total non-current assets		<u>170,622,802</u>	<u>170,012,551</u>
Current assets:			
Inventories		5,641,939	6,218,945
Receivables under service concession arrangements	11	134,255	121,046
Receivable under a finance lease		95,065	98,516
Trade receivables	12	8,092,408	6,659,686
Prepayments, other receivables and other assets		7,008,861	5,837,534
Other tax recoverables		698,006	599,016
Financial assets at fair value through profit or loss		670,588	–
Restricted cash and pledged deposits		151,899	35,958
Cash and cash equivalents		31,291,403	33,238,799
Total current assets		<u>53,784,424</u>	<u>52,809,500</u>
TOTAL ASSETS		<u>224,407,226</u>	<u>222,822,051</u>

		30 June 2022 Unaudited HK\$'000	31 December 2021 Audited HK\$'000
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital	<i>13</i>	30,401,883	30,401,883
Reserves		65,829,482	65,575,827
		96,231,365	95,977,710
Non-controlling interests		12,825,140	13,089,259
TOTAL EQUITY		109,056,505	109,066,969
Non-current liabilities:			
Bank and other borrowings		28,205,213	27,797,718
Guaranteed bonds and notes		21,305,394	17,854,936
Lease liabilities		471,305	592,163
Defined benefit obligations		2,539,155	2,857,692
Provision for major overhauls and onerous contracts		284,751	375,908
Other non-current liabilities		1,920,428	1,974,292
Deferred tax liabilities		2,333,667	2,497,220
Total non-current liabilities		57,059,913	53,949,929
Current liabilities:			
Trade and bills payables	<i>14</i>	3,990,214	4,326,135
Other payables, accruals and contract liabilities		29,803,535	27,070,190
Provision for major overhauls and onerous contracts		46,689	50,093
Income tax payables		822,360	1,249,468
Other tax payables		825,682	390,504
Bank and other borrowings		22,320,258	9,179,370
Guaranteed bonds and notes		–	17,173,276
Lease liabilities		482,070	366,117
Total current liabilities		58,290,808	59,805,153
TOTAL LIABILITIES		115,350,721	113,755,082
TOTAL EQUITY AND LIABILITIES		224,407,226	222,822,051

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 2022 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 2021.

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 2021, 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 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 2022. Taking into account the historical operating performance of the Group and the following: (a) 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; (b) refinancing a term loan of HK\$4 billion with a new 5-year HK\$4 billion term loan facility; and (c) new banking facilities are currently under negotiation, 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 2021 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 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 Company 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 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 revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial information:

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>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The adoption of the above 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.

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2022 and 2021, respectively.

Six months ended 30 June 2022

	Gas operation Unaudited HK\$'000	Water operation Unaudited HK\$'000	Environmental operation Unaudited HK\$'000	Brewery operation Unaudited HK\$'000	Corporate and others Unaudited HK\$'000	Inter- segment elimination Unaudited HK\$'000	Consolidated Unaudited HK\$'000
Segment revenue	34,162,332	-	4,566,521	7,260,308	-	-	45,989,161
Cost of sales	(31,133,094)	-	(3,287,062)	(4,807,380)	-	-	(39,227,536)
Gross profit	<u>3,029,238</u>	<u>-</u>	<u>1,279,459</u>	<u>2,452,928</u>	<u>-</u>	<u>-</u>	<u>6,761,625</u>
Profit/(loss) from operating activities	2,128,214	-	1,019,227	607,632	58,482	(109,577)	3,703,978
Finance costs	(274,498)	-	(144,251)	(25,329)	(572,374)	109,577	(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>-</u>	<u>3,247,404</u>
Profit before tax	4,780,502	282,207	893,668	596,562	(513,892)	-	6,039,047
Income tax	(157,567)	-	(259,607)	(108,533)	(12,345)	-	(538,052)
Profit for the period	<u>4,622,935</u>	<u>282,207</u>	<u>634,061</u>	<u>488,029</u>	<u>(526,237)</u>	<u>-</u>	<u>5,500,995</u>
Segment profit attributable to shareholders of the Company	<u>4,606,215</u>	<u>282,207</u>	<u>480,275</u>	<u>186,489</u>	<u>(526,227)</u>	<u>-</u>	<u>5,028,959</u>

Six months ended 30 June 2021

	Gas operation Unaudited HK\$'000	Water operation Unaudited HK\$'000	Environmental operation Unaudited HK\$'000	Brewery operation Unaudited HK\$'000	Corporate and others Unaudited HK\$'000	Inter- segment elimination Unaudited HK\$'000	Consolidated Unaudited HK\$'000
Segment revenue	29,374,563	-	4,230,556	6,783,066	-	-	40,388,185
Cost of sales	(26,731,024)	-	(3,128,302)	(4,378,287)	-	-	(34,237,613)
Gross profit	<u>2,643,539</u>	<u>-</u>	<u>1,102,254</u>	<u>2,404,779</u>	<u>-</u>	<u>-</u>	<u>6,150,572</u>
Profit/(loss) from operating activities	1,873,708	-	899,419	488,905	1,707,489	(62,133)	4,907,388
Finance costs	(190,276)	-	(107,386)	(14,169)	(646,883)	62,133	(896,581)
Share of profits and losses of:							
Joint ventures	8,813	-	-	-	-	-	8,813
Associates	<u>2,265,288</u>	<u>995,680</u>	<u>16,066</u>	<u>11,884</u>	<u>-</u>	<u>-</u>	<u>3,288,918</u>
Profit before tax	3,957,533	995,680	808,099	486,620	1,060,606	-	7,308,538
Income tax	(216,303)	-	(220,975)	(121,402)	(12,426)	-	(571,106)
Profit for the period	<u><u>3,741,230</u></u>	<u><u>995,680</u></u>	<u><u>587,124</u></u>	<u><u>365,218</u></u>	<u><u>1,048,180</u></u>	<u><u>-</u></u>	<u><u>6,737,432</u></u>
Segment profit attributable to shareholders of the Company	<u><u>3,757,079</u></u>	<u><u>995,680</u></u>	<u><u>407,937</u></u>	<u><u>106,982</u></u>	<u><u>1,048,180</u></u>	<u><u>-</u></u>	<u><u>6,315,858</u></u>

During each of the six months ended 30 June 2022 and 2021, none of the Group's individual customers contributed 10% or more of the Group's revenue.

4. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2022	2021
	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>
Bank interest income	328,393	341,800
Finance income on the net investment in a finance lease	25,141	30,300
Rental income	19,595	41,078
Investment income of a financial asset at fair value through profit or loss	157,287	154,550
Government grants	139,570	102,502
Transfer of assets from customers	21,921	13,974
Gain on disposal of a right-of-use asset	57,306	–
Foreign exchange differences, net	232,287	5,444
Others	234,583	298,140
	<hr/>	<hr/>
Other income and gains, net	1,216,083	987,788

5. FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Interest on bank loans and other loans	487,332	338,065
Interest on guaranteed bonds and notes	410,727	558,123
Interest on lease liabilities	21,440	14,455
	<hr/>	<hr/>
Total interest expenses	919,499	910,643
Increase in discounted amounts of provision for major overhauls arising from the passage of time	330	294
	<hr/>	<hr/>
Total finance costs	919,829	910,937
Less: Interest capitalised	(12,954)	(14,356)
	<hr/>	<hr/>
	906,875	896,581
	<hr/> <hr/>	<hr/> <hr/>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2022	2021
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	1,999,619	1,914,843
Depreciation of right-of-use assets	193,053	85,736
Amortisation of operating concession*	117,449	103,470
Amortisation of other intangible assets [#]	122,068	145,512
Loss on disposal of items of property, plant and equipment, net	52,679	6,878
	<hr/>	<hr/>

* The amortisation of operating concession for the period is included in "Cost of sales" on the face of the condensed consolidated statement of profit or loss.

[#] HK\$103,437,000 (six months ended 30 June 2021: HK\$122,111,000) and HK\$18,631,000 (six months ended 30 June 2021: HK\$23,401,000) of the amortisation of other intangible assets for the period are included in "Cost of sales" and "Administrative expenses" on the face of the condensed consolidated statement of profit or loss, respectively.

7. INCOME TAX

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

	Six months ended 30 June	
	2022	2021
	Unaudited HK\$'000	Unaudited HK\$'000
Current:		
Mainland China	306,402	368,081
Germany	245,081	211,525
Others	46,365	32,263
Deferred	<u>(59,796)</u>	<u>(40,763)</u>
Total tax expense for the period	<u>538,052</u>	<u>571,106</u>

8. INTERIM DIVIDEND

On 31 August 2022, the Board declared an interim cash dividend of HK50 cents per share (six months ended 30 June 2021: HK40 cents per share), totalling HK\$630,627,000 (six months ended 30 June 2021: HK\$504,821,000).

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\$5,028,959,000 (six months ended 30 June 2021: HK\$6,315,858,000), and the weighted average number of ordinary shares of 1,261,277,025 (six months ended 30 June 2021: 1,262,053,268) 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 2022 and 2021 for a dilution as the impact of the dilutive potential ordinary shares of associates in issue during these periods is minimal.

10. GAIN ON DEEMED DISPOSAL OF PARTIAL INTERESTS IN AN ASSOCIATE

During the period ended 30 June 2021, the Group's equity interest in China Gas Holdings Limited was diluted from 23.74% to 22.08% upon placing of 392,000,000 new shares by China Gas Holdings Limited under a top-up placing arrangement, resulting in a gain on deemed disposal of partial interests of HK\$1,717,201,000 recognised by the Group in the condensed consolidated statement of profit or loss which was included in "Corporate and others" segment in the operating segment information set out in note 3.

11. 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 2022 and 31 December 2021.

12. 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:

	30 June 2022 Unaudited HK\$'000	31 December 2021 Audited HK\$'000
Billed:		
Within one year	7,065,507	3,877,465
One to two years	347,546	52,286
Two to three years	20,637	18,103
Over three years	<u>38,906</u>	<u>12,600</u>
	7,472,596	3,960,454
Unbilled*	<u>619,812</u>	<u>2,699,232</u>
	<u>8,092,408</u>	<u>6,659,686</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.*

13. SHARE CAPITAL

	30 June 2022 Unaudited HK\$'000	31 December 2021 Audited HK\$'000
Issued and fully paid:		
1,261,253,268 (31 December 2021: 1,262,053,268) ordinary shares	<u>30,401,883</u>	<u>30,401,883</u>

A summary of a movement in the Company's share capital is as follows:

	Number of shares in issue	Share capital HK\$'000
At 1 January, 31 December 2021 and 1 January 2022	1,262,053,268	30,401,883
Shares repurchased and cancelled (<i>note</i>)	<u>(800,000)</u>	<u>–</u>
At 30 June 2022	<u>1,261,253,268</u>	<u>30,401,883</u>

Note: During the period ended 30 June 2022, the Company repurchased a total of 800,000 ordinary shares of the Company on the Hong Kong Stock Exchange at a weighted average cost of HK\$27.71 per share. All the repurchased shares were cancelled by the Company during the period and the total amount paid for the repurchase of these shares of HK\$22,257,000 (including transaction costs of HK\$86,000) has been charged to retained profits of the Company in accordance with section 257 of the Hong Kong Companies Ordinance.

14. 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:

	30 June 2022 Unaudited HK\$'000	31 December 2021 Audited HK\$'000
Billed:		
Within one year	2,881,592	3,462,533
One to two years	225,387	155,691
Two to three years	22,371	8,808
Over three years	24,107	20,697
	3,153,457	3,647,729
Unbilled*	836,757	678,406
	3,990,214	4,326,135

* *The unbilled balance was attributable to (i) purchase of natural gas near the period end which was billed subsequently in early July 2022; 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.*

INTERIM DIVIDEND

The Board has resolved to declare an interim cash dividend for the six months ended 30 June 2022 of HK50 cents (2021: HK40 cents) per share, which will be payable on 27 October 2022 to shareholders whose names appear on the register of members of the Company on 28 September 2022.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Monday, 26 September 2022 to Wednesday, 28 September 2022, 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 Friday, 23 September 2022.

EMPLOYEES

At 30 June 2022, the Group had approximately 35,000 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 CORPORATE GOVERNANCE CODE

Save as disclosed below, the directors believe that the Company complied with the code provisions (the "Code Provisions") as set out in Appendix 14 "Corporate Governance Code" to the Listing Rules during the six months ended 30 June 2022.

Due to other business engagements, the former Chairman of the Board, Mr. Li Yongcheng was unable to attend the annual general meeting of the Company held on 17 June 2022, which deviates from Code Provision F.2.2. However, he had arranged other directors to attend the meeting and communicate with shareholders.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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. After having made specific enquiry to all directors, all directors confirm that they complied with the Model Code during the six months ended 30 June 2022.

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 has already reviewed the unaudited interim results for the six months ended 30 June 2022 and considers that appropriate accounting policies have been adopted in preparation of the relevant results and sufficient disclosures have been made.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2022, the Company bought back a total of 800,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). These shares were subsequently cancelled by the Company on 20 May 2022. Details of the buy-backs of such ordinary shares are as follows:

Month	Number of Shares bought back	Price per Share		Total consideration paid HK\$
		Highest HK\$	Lowest HK\$	
January	800,000	28.40	27.45	22,170,550.00

The buy-back of the Company’s shares during the period was effected by the directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities listed on the Stock Exchanges for the six months ended 30 June 2022.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This 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 all shareholders and will be published on the Stock Exchange's website in due course.

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

Hong Kong, 31 August 2022

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) and Mr. Tam Chun Fai as executive directors; Mr. Wu Jiesi, Mr. Lam Hoi Ham and Dr. Yu Sun Say as independent non-executive directors.