北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

HIGHLIGHTS

- Revenue for the year amounted to approximately RMB82.31 billion, representing an increase of 3.7% over last year.
- EBITDA amounted to approximately RMB14.02 billion.
- Profit attributable to shareholders of the Company amounted to approximately RMB5.5 billion.
- After excluding the effect of the one-off events for the current year, profit attributable to shareholders of the Company amounted to RMB4.88 billion.
- Basic and diluted earnings per share amounted to RMB4.36.
- A final dividend of HK$0.67 per share is proposed for 2023, together with an interim dividend of HK$0.93 per share. Dividend for the year will be HK$1.6 per share, same level as last year.

RESULTS

The Board of Directors of Beijing Enterprises Holdings Limited (the "Company") is pleased to announce that, the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2023, together with the comparative figures for the previous year. The revenue of the Group was approximately RMB82.31 billion for 2023, representing an increase of 3.7% over last year. Profit attributable to shareholders of the Company was approximately RMB5.5 billion. After excluding the effect of the one-off events for the current year, profit attributable to shareholders of the Company amounted to RMB4.88 billion.

Profit contributed by each business segment during the year is set out as follows:

	Profit of the Company *RMB'000*	**Proportion** *%*
Gas operation	5,147,735	61.5
Water operation	779,693	9.3
Environmental operation	1,703,683	20.4
Brewery operation	735,666	8.8
Profit from major operations	8,366,777	100
Corporate and others	(1,965,486)	
Profit of the Company	6,401,291	
Profit attributable to non-controlling interests	903,001	
Profit attributable to shareholders of the Company	5,498,290	

MANAGEMENT DISCUSSION AND ANALYSIS

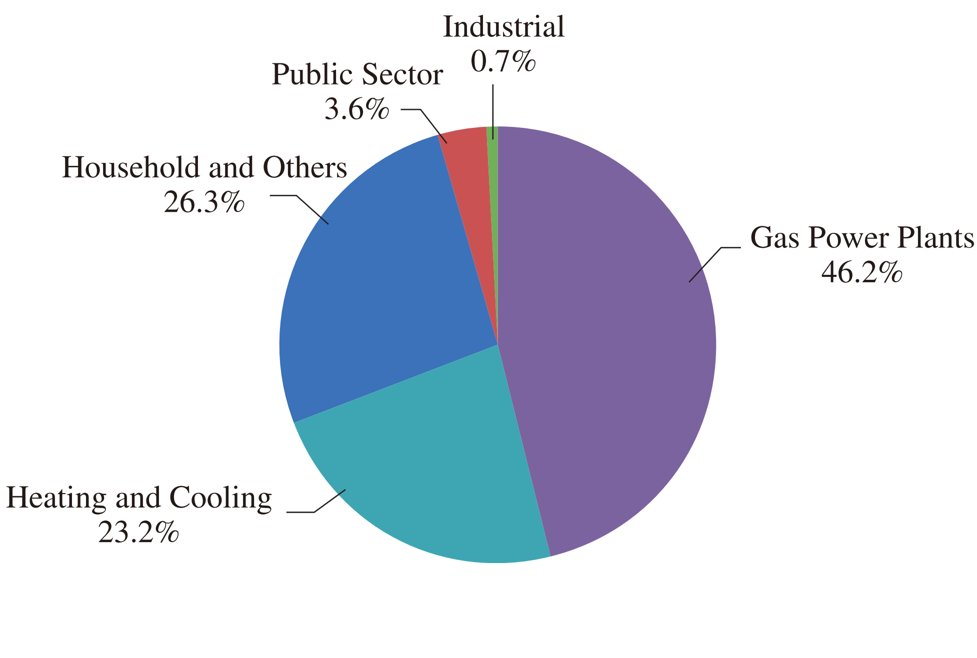
I. BUSINESS REVIEW

In 2023 (the "Reporting Period"), the global economic recovery was facing certain headwinds as core inflation and public debt ratios of various countries remained high, with lingering risks of supply chain disruption and geopolitical conflicts. Benefiting from the continuous promotion of the stabilizing growth policy, the economy of China strode forward at a steady pace amid challenges such as insufficient effective domestic demand, weak external demand and adjustments in the real estate industry. During the period, the Company actively shook off the impact of the complicated economic conditions at home and abroad, adhered to its strategic focus, harnessed the internal potential and improved its operational efficiency to ensure the continuous stability of the Company's operating fundamentals.

Beijing Gas

Beijing Gas Group Company Limited ("Beijing Gas") recorded a revenue of RMB61.47 billion in 2023, representing a year-on-year increase of 2.7%. Profit before taxation from the principal businesses (including natural gas distribution business, natural gas transmission business and VCNG of Rosneft) was RMB4.79 billion.

In 2023, Beijing Gas' combined (excluding duplicate statistics in different categories and the portion of Beijing Gas Blue Sky Holdings Limited ("Blue Sky"), stock code: 6828) natural gas sales volume was 24 billion cubic meters. Among which, affected by factors such as earlier heat supply, the piped gas sales volume accomplished inside Beijing increased by 1.7% year-on-year to 18.1 billion cubic meters. The city gas sales volume outside Beijing was 2 billion cubic meters. 2.3 billion cubic meters of gas was sold through LNG distribution and 1.6 billion cubic meters through LNG international trade. An analysis of the natural gas sales volume accomplished inside Beijing by subscriber sector is shown as follows:



During the Reporting Period, Beijing Gas developed approximately 174,000 new household subscribers and 4,776 new public sector subscribers. New heating boiler subscribers with a total capacity of 3,565 t/h were developed. As of 31 December 2023, Beijing Gas had a total of approximately 7.62 million piped gas subscribers and approximately 32,900 kilometers of natural gas pipelines in operation in Beijing. Beijing Gas' capital expenditure for the year amounted to approximately RMB4.55 billion.

During the year, as the first phase of Tianjin Nangang project of Beijing Gas entered pilot production and operation after its successful commissioning, significant improvement was seen in the capacity of peak adjustment and supply support for the Beijing-Tianjin-Hebei region, contributing to the coordinated development of these regions. Through active expansion in the Beijing market, the gas volume continued to grow, and several incremental market projects were implemented in competing areas. For LNG business, it actively expanded trade scale and entered into procurement contracts with a number of upstream companies to secure the sources of supply, completed the signing of long-term resources agreement to diversify its resource pool. Aiming at active and steady expansion in the integrated energy heating market, it promoted integrated energy and new energy businesses in an orderly manner by determining the four development directions – new energy power generation, energy storage, integrated energy heating and hydrogen energy.

Natural Gas Transmission Business

PipeChina Group Beijing Pipeline Co., Ltd. ("PipeChina Beijing Pipeline Co.,") recorded a gas transmission volume of 74.3 billion cubic meters in 2023, representing a year-on-year increase of 25%. During the period, Beijing Gas' share of net profit after taxation, through its 40% equity interests in PipeChina Beijing Pipeline Co., amounted to RMB2.44 billion, representing a year-on-year increase of 36.7%. PipeChina Beijing Pipeline Co.,'s total capital expenditure for the year amounted to approximately RMB460 million.

VCNG of Rosneft

During the Reporting Period, the PJSC Verkhnechonskneftegaz ("VCNG") project of Rosneft Oil Company recorded its petroleum sales of 6.159 million tons, representing a year-on-year decrease of 3%. Beijing Gas shared a net operating profit after taxation for the year of RMB1.04 billion through its 20% equity interest in VCNG, representing a year-on-year decrease of 15.5%.

China Gas

China Gas Holdings Limited ("China Gas", stock code: 384) achieved a profit attributable to the Group of RMB585 million in 2023, representing a year-on-year decrease of 56.3%. During the six months ended 30 September 2023, China Gas proactively implemented the price pass-through policy of natural gas while continuing to strengthen the fundamentals of natural gas business, improving the comprehensive dollar margin as compared to the same period of last year. To set off the impact of the continued weakness in the real estate industry, it promoted the "bottled-to-piped gas conversion" reform and the user connection in old microdistricts, which opened up a new chapter for operation. The value-added businesses platform, "Yipin Smart Living", continued to put efforts into exploration and innovation from two directions, i.e. channels and products, by optimizing and reshaping the marketing management system. China Gas also took proactive measures to gain foothold in new energy business, improved the photovoltaic control system, and deeply cultivated the electricity market. During the six months ended 30 September 2023, China Gas' total natural gas sales volume increased by 1.7% to 16.97 billion cubic meters, and its LPG sales volume reached 1.98 million tons, total sales revenue amounted to HK$8.42 billion. Approximately 1.05 million households were newly connected, and the cumulative number of households connected reached approximately 46.45 million as at 30 September 2023.

Water Business

Beijing Enterprises Water Group Limited ("BE Water", stock code: 371) focused on the primary business, and continued to strengthen the fundamentals of our operations during the year. It also enhanced cash collection, optimized the asset-liability structure, and insisted on improving the quality and efficiency of stock assets through measures such as managing inefficient assets and upgrading operational models. BE Water's revenue for the year increased by 14.1% year-on-year to RMB24.52 billion, and profit attributable to its shareholders increased by 60% year-on-year to RMB1.896 billion. The net profit attributable to the Group was RMB780 million, representing an increase of 60% year-on-year.

As at 31 December 2023, BE Water already participated in 1,455 water plants which are or will be in operation, including 1,215 sewage treatment plants, 170 water distribution plants, 69 reclaimed water treatment plants and one seawater desalination plant, with a total design capacity of 43.963 million tons/day.

Environmental business

At the end of 2023, the environmental business segment of the Group realized a waste incineration and power generation treatment capacity of 34,232 tons/day. During the year, EEW Energy from Waste GmbH ("EEW GmbH") actively responded to the impact of the weakened economy in Germany and vigorously expanded its sources of waste imports within Europe, accomplishing a waste treatment volume of 4.876 million tons, a year-on-year increase of 5.8%; energy sales of 4.77 billion kWh, a year-on-year decrease of 2.9%; and a revenue of RMB5.77 billion, a year-on-year increase of 13.6%.

During the year, the domestic environmental business segment of the Group recorded a waste treatment volume of 7.059 million tons, representing a year-on-year increase of 17.3%. It completed an on grid power generation volume of 2.22 billion kWh, representing a year-on-year increase of 21.8%, which was mainly due to the operation commencement of the Beihai and Zhangjiagang projects. 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 RMB2.66 billion during the period. Excluding one-off events, the profit attributable to the shareholders of the Group was RMB405 million, an increase of 27.8% year-on-year. During the period, the domestic environmental business segment had improved its unit efficiency by strengthening operation and mangement. The sludge collaborative treatment technology of the Gaoantun Project has been promoted to carry our sludge collaborative treatment business in various project companies. The heat and steam supply business has also made progress and was carried out successfully in projects in Changde, Zhangjiagang, Yanzhou and Xixian, hence effectively increased the revenue from waste disposal. During the period, the environmental business continued to expand market and won the bid for urban solid waste incineration project of Shiyan, Hubei. The capital expenditure for the year of the Company's environmental business segment (both domestic and overseas) was approximately RMB3.11 billion.

Beer Business

During the period, Beijing Yanjing Brewery Co., Ltd. ("Yanjing Brewery") intensively propelled its bulk single product strategy in all directions, and comprehensively strengthened the control of market price and product flow of U8 to maintain market sales order; continued to accelerate the construction of high-end channels and completed the research and development as well as the transformation of a number of products; empowered enterprise development with digitalization, carried out digital upgrade to supply chain and management system, and built new production lines to gradually realize intensive production, quality and efficiency improvement; perfected the classification assessment and evaluation mechanism for enterprises and properly pushed forward the elimination of inefficient production capacity to revitalize the stock assets.

During the Reporting Period, Yanjing Brewery achieved a beer sales volume of 3.94 million kiloliters, representing a year-on-year increase of 4.5%, of which, the sales volume of Yanjing U8 recorded 532,400 kiloliters, representing a year-on-year increase of 36.9%. The revenue that Beijing Yanjing Brewery Investments Co., Limited* (北京燕京啤酒投資有限公司) ("Yanjing Limited") recorded was RMB12.33 billion during the period, representing a year-on-year increase of 6.4%, with its profit before taxation of RMB955 million, representing a year-on-year increase of 60.1%. The capital expenditure of Yanjing Limited for the year was approximately RMB600 million.

Major Capital Operations

In 2023, the Group actively dealt with the pressure of rising financial costs, and promoted the financing of RMB debts and the replacement of existing foreign currency debt as scheduled by phases through various means such as cross-border RMB loans, interbank panda bond market, exchange-traded panda bond market, overseas RMB bank loans and overseas RMB short-term bank loans. Among which, the Group successfully issued two tranches of panda bonds, totalling 4 tranches with an the aggregated total financing amount of RMB9.25 billion, in the interbank market and on the exchange, with each issuance breaking a number of records for national and local state-owned enterprises in the panda bond market.

Sustainable Development

The Group has been enhancing its environmental, social and governance (ESG) management capabilities in recent years. In the latest ESG rating results recently published by MSCI (明晟), the Company's ESG rating was upgraded by two notches from "BB" to "A", which is a leading rating in the industry. The Company has made significant improvement in environmental score and even ranked the first in the industry in terms of the score in "biodiversity and land protection" indicators.

During the year, the Group has established the overall framework for sustainable development strategy and formulated sustainable development action plans from three time dimensions, namely near, medium and long term. At the same time, it actively promoted the construction of sustainable development systems, and issued a number of sustainable development policies during the year, including the "Anti-bribery and Anti-corruption System", the "Whistleblowing Management System", the "Whistleblower Protection System", the "Policy of Health, Safety and Environment (HSE)"and the "Policy of Climate Change Response".

Principal Risks – Exchange Rate Fluctuation

The Group primarily operates its businesses in the PRC, and therefore, most of its revenues and expenses are transacted in RMB. The value of RMB against Hong Kong dollar and other currencies may fluctuate and is affected by, among other things, the PRC's economic conditions and policies. The conversion of RMB into foreign currencies, including Hong Kong dollar and U.S. dollar, has been based on rates guided by the People's Bank of China. In 2023, the exchange rates of RMB against Hong Kong dollar and U.S. dollar went up before heading south and getting back on track, and the Board did not expect the mild fluctuation of RMB's exchange rate in the future will have a material adverse impact on the operations of the Group. As the Euro assets and Euro debts of the Group were basically matched, the Group was less affected by the fluctuation of Euro exchange rate.

Main Uncertainties

The Group's principal businesses include downstream natural gas distribution and middle stream natural gas transmission, water operation, environmental operation and beer businesses. Most of the utilities related businesses are governed by policies set out by the National Development and Reform Commission and may be subject to changes from time to time. The energy supply chain shortage arising from increasing global economic downward pressure and international geopolitical risks has brought about numerous changes and uncertainties in the industry and market environment associated with the Group's businesses. The Group will make timely adjustment to its strategy and give proactive response so as to obtain operating initiatives in the market transformation where accelerating changes in the domestic industrial chain, the rebound in consumer demand and the upgrading of the consumer structure are taking place.

II. PROSPECTS

While the global economy is changing at an accelerated pace, China witnesses a steady recovery in its economy, albeit it is still undergoing a critical stage of structural adjustment and transformation, which has posed challenges to Beijing Enterprises in developing the physical industry. In 2024, the Group will speed up the optimization of asset structure for its core business and rebuilding of growth momentum, enhance its refined operations and control capabilities in all aspects, and continuously increase its industrial strength and economic benefits, so as to realize quality and sustainable development.

Beijing Gas

Beijing Gas will continue to consolidate and expand the market in Beijing, and actively seize the opportunities for market development in competitive regions outside Beijing. On the basis of securing the peak adjustment support demand, Tianjin Nangang project will steadily increase the profitability of its early stage production and operation and accelerate the launching of project to the market. At the same time, the remaining construction work of Phases II and III of the said project will be appropriately pushed forward to ensure the smooth commencement of Phase II operation; and coordination will be carried out in developing the LNG resources market to establish a sales network nationwide. It will actively seek international long-term resources of high quality, strive for favorable short-and medium-term contract resources, and seize the opportunity when spot procurement is beneficial. It will guarantee access to domestic upstream resources to optimize the resources structure, actively expand downstream sales by beefing up market development along the export transmission pipeline of Nangang project and vigorously expand the integrated energy heating market to accelerate the development of new energy business.

China Gas

China Gas will consolidate the fundamentals of its natural gas business, focusing on the increase of natural gas sales volume and gross margins of total gas sales. It will push the implementation of the price pass-through mechanism and continue to improve the cash flow of project companies; enlarge the growth potential for value-added business, accelerate the implementation of quality projects in the integrated energy business, and build a whole-chain business model for LPG. It will actively promote the transformation of enterprise from a single natural gas service provider to an integrated energy service supplier, and make use of the existing market to extend and realize multi-industry development. It will also work to build a mechanism connecting the city gas and integrated energy based on the customer's integrated energy scenario and in line with the demand trend, so as to realize synergized development; and move forward its "dual-carbon" efforts on a systematic basis to comprehensively improve its management in carbon peaking and carbon neutrality, and create a green and low-carbon value chain.

Water Business

BE Water will lead the transformation towards light assets through technological development, driving industry growth and serving national strategies, marking the beginning of era of light assets. Anchoring its strategic goals, it will prioritize cash flow as the core, enhance the fundamentals of our operations and strengthen the foundation of its organization. It will also focus on customer operation, existing operations and business transformation. With unwavering strategic confidence and determination, it will be fully committed to driving the Company's secondary growth, promoting the continuous improvement of development capabilities and core competitiveness, and achieving high-quality and sustainable development.

Environmental Business

The environmental business segment will increase efforts both within and outside China in constantly improving the output efficiency of projects. For the domestic business, refined operation and management will be actively carried out, in a bid to reduce costs and increase efficiency continuously while improving energy utilization and energy conversion efficiency; fully conduct sludge collaborative treatment, steam supply and heat supply business; and at the same time, intensify the integration of internal and external resources to identify quality project opportunities, increase market share and build core competitiveness. The offshore EEW GmbH will expand solid waste resources channels, reduce operating costs, reasonably control the increase of labor costs, accelerate the pace of putting incremental projects under construction into operation and bring contribution to performance growth as soon as practicable.

Beer Business

In the future, Yanjing Brewery will continue to focus on its core strategy and promote quality reform. It will continue to deepen the construction of a premier management system, and continue the optimization and improvement in aspects including quality management, cost control and production efficiency. It will also firmly push forward the strategy of bulk single products, keep on enriching the product matrix and launching differentiated products, and increase the share of medium-and high-end products driven by the innovation of marketing and products. In addition, it will facilitate digital transformation and upgrade alongside improving the overall cost structure to unleash new growth potential. It will speed up the elimination of the low-efficiency production capacity and the revitalization of idle stock assets, and coordinate and integrate the utilization of regional production capacity; it will increase efforts in the implementation of tenure system and contractual management of enterprise managers to activate team vibrancy.

III. FINANCIAL REVIEW

Revenue

The revenue of the Group in 2023 was RMB82.31 billion, which increased by 3.7% as compared with 2022. Of which, the revenue of Beijing Gas was RMB61.47 billion, representing a year-on-year increase of 2.7%, which accounted for 74.7% of total revenue. The revenue from beer sales was RMB12.33 billion, which accounted for 15% of total revenue. The solid waste treatment businesses contributed a total revenue of RMB8.43 billion, which accounted for 10.2% of total revenue, including the revenue of EEW GmbH amounted to RMB5.77 billion.

Cost of Sales

Cost of sales increased by 4% to RMB71.58 billion. Cost of sales of the gas distribution business included the purchase cost of natural gas as well as the depreciation charge of the pipeline network. Cost of sales of the brewery business included raw materials, wage expenses, and absorption of certain direct overheads. Cost of sales of solid waste treatment business included fuel charges, amortization, and waste collection costs.

Gross Profit Margin

In 2023, the overall gross profit margin was 13%, slightly decreased by 0.3% when compared with 13.3% last year, which was mainly due to the increased cost of Beijing Gas.

Other Income

Other income was mainly comprised of government grants of RMB397 million; gain on transfer of assets from customers of RMB44 million and bank interest income amounting to RMB892 million.

Selling and Distribution Expenses

Selling and distribution expenses of the Group in 2023 were RMB2.0 billion, which increased by 3.6% year-on-year, mainly attributable to the increase from Yanjing Brewery.

Administrative Expenses

Administrative expenses of the Group in 2023 were RMB6.28 billion, which increased by 11.3% year-on-year, mainly incurred by the increased administrative expenses of Beijing Gas.

Other Operating Expenses, net

For the current year, it was mainly the reversal of the impairment of the solid waste business assets recognized in prior years, while the impairment of certain assets of the solid waste business was included in last year.

Finance Costs

The finance costs of the Group in 2023 were RMB2.64 billion, which increased by 48.4% when compared to last year, mainly due to the increase in the cost of loans as a result of the increase of global interest rates.

Share of Profits and Losses of Associates

The share of profits and losses of associates mainly comprised the share of profit attributable of PipeChina Beijing Pipeline Co. to the Group, the share of profit attributable to shareholders of VCNG, the share of profit attributable to China Gas, and the share of profit attributable to BE Water.

In 2023, the Group shared the profit after taxation of PipeChina Beijing Pipeline Co. amounting to RMB2.44 billion, the profit after taxation of VCNG amounting to RMB1.04 billion, the profit after taxation of China Gas amounting to RMB585 million and the net profit of BE Water amounting to RMB780 million.

Taxation

After deducting the share of profits and losses of associates and joint ventures, the effective income tax rate was 44.2%, which was higher than 31.7% last year and was mainly due to the fact that relevant finance costs of part of the overseas loans were not deductible for tax.

Profit Attributable to Shareholders of the Company

The profit attributable to the shareholders of the Company for the year ended 31 December 2023 was RMB5.5 billion.

IV. FINANCIAL POSITION OF THE GROUP

Non-current assets

Property, plant and equipment

The net book value of property, plant and equipment was approximately RMB59.75 billion, which increased by 6.4% over last year, which was mainly attributable to the increase in construction projects of Beijing Gas and EEW.

Other intangible assets

Other intangible assets were mainly from EEW GmbH.

Investments in associates

The increase in the balance of RMB2.22 billion was mainly due to the Group's share of profit of VCNG, PipeChina Beijing Pipeline Co., Beijing Enterprises Water Group and China Gas.

Prepayments, other receivables and other assets

The balances increased by RMB1.9 billion, which was mainly composed of time deposits and certificates of deposit of Beijing Gas in bank with maturity over one year.

Current assets

Inventories

It mainly represented the inventory balance of Yanjing Brewery.

Receivables under a finance lease

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

Trade receivables

The balance decreased by RMB494 million, which was mainly due to the settlement of gas purchased by Gas Power Plants customers of Beijing Gas during the year.

Prepayments, other receivables and other assets

The balance slightly decreased by RMB357 million, which mainly because Beijing Gas received the dividends receivable of PipeChina Beijing Pipeline Co. at the end of 2022, offsetting the impact of the increase in other receivables.

Cash and bank borrowings

As at 31 December 2023, cash and bank deposits held by the Group amounted to RMB28.86 billion. The Group maintains sufficient banking facilities for its working capital requirements and has sufficient cash resources to finance its capital expenditures in the foreseeable future.

The Group's total borrowings amounted to RMB76.25 billion as at 31 December 2023, which mainly comprised guaranteed bonds and senior notes of US$1.8 billion in total, Euro guaranteed bonds amounting to EUR0.9 billion, RMB corporate bonds amounting to RMB9.25 billion and RMB bank loans amounting to RMB33.0 billion. Around 55.3% of the total borrowings were denominated in RMB, 23% in US and Hong Kong dollars and 21.7% in Euro. The Group had net borrowings of RMB47.39 billion as at 31 December 2023, which increased by 17% over last year.

Non-current liabilities

Bank and other borrowings

There was an increase of RMB7.28 billion in long-term and short-term balances in total, which was due to the issuance of RMB corporate bonds and refinance of bank loans with the RMB corporate bonds during the year.

Guaranteed bonds and notes

The balance increased by RMB863 million, mainly due to the depreciation of RMB during the year, which resulted in an increase in the balance of US dollar guaranteed notes and Euro guaranteed bonds converted into RMB for presentation.

Provision for onerous contracts and major overhauls

The balances were mainly from EEW GmbH.

Current liabilities

Other payables, accruals and contract liabilities

The decrease in the balance of RMB957 million was mainly due to year-on-year decrease in prepayments of Beijing Gas.

Liquidity and Capital Resources

The downstream natural gas distribution business, plus the dividends income from PetroChina Beijing Pipeline Co., the dividends from BE Water, China Gas, and EEW GmbH, has been constantly contributing to the operating cash flow of the Group and significantly increased its liquidity. As at the end of 2023, the issued share capital of the Company amounted to 1,260,203,268 shares and the shareholders' equity was RMB81 billion. Total equity was RMB93.05 billion. The gearing ratio, being all the interest-bearing borrowings and guaranteed bonds and notes divided by the sum of total equity plus all interest-bearing borrowings and guaranteed bonds and notes, was 45% (2022: 43%).

The majority of 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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2023

	Notes	**2023** **RMB'000**	2022 *RMB'000* (Restated)
REVENUE	*2*	**82,313,331**	79,375,036
Cost of sales		**(71,584,678)**	(68,806,773)
Gross profit		**10,728,653**	10,568,263
Other income and gains, net	*3*	**2,087,808**	2,132,540
Selling and distribution expenses		**(2,002,091)**	(1,931,707)
Administrative expenses		**(6,278,523)**	(5,641,616)
Other operating expenses, net		**68,785**	(375,968)
Finance costs	*4*	**(2,644,327)**	(1,781,883)
Share of profits and losses of:			
Joint ventures		**(25,121)**	25,627
Associates		**5,331,994**	5,051,952
PROFIT BEFORE TAX	*5*	**7,267,178**	8,047,208
Income tax	*6*	**(865,887)**	(940,150)
PROFIT FOR THE YEAR		**6,401,291**	7,107,058
ATTRIBUTABLE TO:			
Shareholders of the Company		**5,498,290**	6,512,480
Non-controlling interests		**903,001**	594,578
		6,401,291	7,107,058
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	*8*		
Basic and diluted		**RMB4.36**	RMB5.16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
PROFIT FOR THE YEAR	**6,401,291**	7,107,058
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(706,711)**	(3,452,614)
Share of other comprehensive loss of associates	**(930,229)**	(2,200,005)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(1,636,940)**	(5,652,619)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Defined benefit obligations:		
Actuarial gains/(losses)	**(266,805)**	491,089
Income tax effect	**70,506**	(141,361)
	(196,299)	349,728
Equity investments at fair value through other comprehensive income:		
Changes in fair value	**(16,630)**	(213,194)
Income tax effect	**2,478**	(23,991)
	(14,152)	(237,185)
Exchange differences arising from translation of the Company's financial statements into presentation currency	**(217,788)**	1,897,396
Share of other comprehensive loss of associates	**(48,349)**	(160,945)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**(476,588)**	1,848,994
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX	**(2,113,528)**	(3,803,625)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,287,763**	3,303,433
ATTRIBUTABLE TO:		
Shareholders of the Company	**3,435,986**	2,702,453
Non-controlling interests	**851,777**	600,980
	4,287,763	3,303,433

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 31 December 2023** *RMB'000*	As at 31 December 2022 *RMB'000* (Restated)	As at 1 January 2022 *RMB'000* (Restated)
ASSETS				
Non-current assets:				
Property, plant and equipment		**59,749,529**	56,136,476	49,720,454
Investment properties		**1,180,403**	1,183,010	995,356
Right-of-use assets		**2,502,633**	2,020,860	2,025,922
Goodwill		**14,841,407**	14,304,235	13,327,936
Operating concessions		**4,799,429**	5,018,059	4,343,740
Other intangible assets		**2,651,019**	2,543,533	2,610,786
Investments in joint ventures		**295,703**	221,895	273,285
Investments in associates		**58,857,864**	56,641,488	54,490,661
Equity investments at fair value through other comprehensive income		**1,821,813**	1,983,136	2,298,326
Financial asset at fair value through profit or loss		**–**	–	2,068,954
Receivables under service concession arrangements	*9*	**3,513,087**	2,960,111	2,759,485
Receivables under a finance lease		**–**	375,521	456,216
Prepayments, other receivables and other assets		**6,047,652**	4,142,967	2,315,108
Deferred tax assets		**2,033,262**	1,570,643	1,724,062
Total non-current assets		**158,293,801**	149,101,934	139,410,291
Current assets:				
Inventories		**5,149,652**	4,998,955	5,099,535
Receivables under service concession arrangements	*9*	**131,246**	120,923	99,258
Receivables under a finance lease		**347,814**	88,010	80,783
Trade receivables	*10*	**4,400,278**	4,894,238	5,460,943
Prepayments, other receivables and other assets		**6,440,545**	6,797,020	4,786,778
Other tax recoverables		**512,188**	393,152	491,193
Restricted cash and pledged deposits		**18,346**	151,307	29,486
Cash and cash equivalents		**28,858,361**	27,585,590	27,255,815
		45,858,430	45,029,195	43,303,791
Non-current assets classified as held for disposal		**302,475**	–	–
Assets of disposal groups classified as held for sale		**–**	411,674	–
Total current assets		**46,160,905**	45,440,869	43,303,791
TOTAL ASSETS		**204,454,706**	194,542,803	182,714,082

	Note	As at 31 December 2023 RMB'000	As at 31 December 2022 RMB'000 (Restated)	As at 1 January 2022 RMB'000 (Restated)
EQUITY AND LIABILITIES				
Equity attributable to shareholders of the Company				
Share capital		**28,340,052**	28,340,052	28,340,052
Reserves		**52,657,672**	50,789,517	50,361,670
		80,997,724	79,129,569	78,701,722
Non-controlling interests		**12,051,641**	11,544,484	10,733,192
TOTAL EQUITY		**93,049,365**	90,674,053	89,434,914
Non-current liabilities:				
Bank and other borrowings		**22,174,394**	27,639,922	22,794,129
Guaranteed bonds and notes		**19,667,812**	18,804,716	14,641,048
Lease liabilities		**449,239**	425,720	485,574
Defined benefit obligations		**2,379,977**	1,976,267	2,343,307
Provision for onerous contracts and major overhauls		**282,633**	226,958	308,245
Other non-current liabilities		**2,083,212**	1,878,606	1,618,919
Deferred tax liabilities		**2,144,049**	2,091,640	2,047,720
Total non-current liabilities		**49,181,316**	53,043,829	44,238,942
Current liabilities:				
Trade and bills payables	*11*	**4,774,703**	4,883,339	3,547,431
Other payables, accruals and contract liabilities		**21,422,079**	22,379,430	22,197,557
Provision for onerous contracts and major overhauls		**44,477**	41,735	41,076
Income tax payables		**1,020,055**	902,711	1,024,564
Other tax payables		**378,732**	394,977	320,213
Bank and other borrowings		**34,403,393**	21,660,023	7,527,083
Guaranteed bonds and notes		**–**	–	14,082,086
Lease liabilities		**180,586**	318,568	300,216
		62,224,025	50,580,783	49,040,226
Liabilities directly associated with the assets of disposal groups classified as held for sale		**–**	244,138	–
Total current liabilities		**62,224,025**	50,824,921	49,040,226
TOTAL LIABILITIES		**111,405,341**	103,868,750	93,279,168
TOTAL EQUITY AND LIABILITIES		**204,454,706**	194,542,803	182,714,082

Notes:

1.1 BASIS OF PRESENTATION

Despite that the Group had net current liabilities of approximately RMB16.1 billion and capital commitments of approximately RMB7.5 billion as at 31 December 2023, the directors of the Company consider that the Group will have adequate funds available to enable it to operate as a going concern after taking into account, inter alia, the historical operating performance of the Group and the following: (a) the Company issued ultra short-term commercial papers in a total principal amount of RMB2 billion to qualified investors in the PRC on 12 January 2024; and (b) 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. Accordingly, these financial statements have been prepared on the going concern basis which assumes, inter alia, the realisation of assets and satisfaction of liabilities in the normal course of business.

1.2 BASIS OF PREPARATION

This announcement has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for (i) investment properties, equity and fund investments which have been measured at fair value; and (ii) disposal groups held for sale which are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the years ended 31 December 2023 and 2022 included in this preliminary announcement of annual results for the year ended 31 December 2023 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2022, is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The consolidated financial statements for the year ended 31 December 2023 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the consolidated financial statements for the year ended 31 December 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 Group 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

1.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and revised HKFRSs

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

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in to the consolidated financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group has applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The amendments did not have any significant impact on the Group's consolidated financial statement.

(d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has not yet applied the temporary exception during the current year because the entities comprising the Group are operating in jurisdictions in which the Pillar Two tax law has not yet been enacted or substantively enacted.

Change of presentation currency

The Company's presentation currency for its consolidated financial statements has been changed from HK$ to RMB from 1 January 2023. As most of the Group's transactions are denominated and settled in RMB, the Board considers that RMB is more appropriate to be the presentation currency for the Group's consolidated financial statements. Further, the Board considers that the change of presentation currency will enable the shareholders and potential investors of the Company to have a clearer picture of the Group's actual financial performance and financial position. The effects of the change in the presentation currency have been accounted for retrospectively with comparative figures restated. The comparative amounts in the consolidated financial statements are presented as if RMB had always been the presentation currency of the consolidated financial statements. The Group has also presented the consolidated statement of financial position as at 1 January 2022 without related notes.

2. REVENUE AND OPERATING SEGMENT INFORMATION

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

(a) the gas operation segment engages in the distribution and sale of piped natural gas and gas-related equipment, the provision of natural gas transmission, the surveying and plotting of underground construction projects, the installation of gas pipelines and related equipment and the provision of related repair and maintenance services, development and operation of city gas projects, liquefied natural gas ("LNG") supply to industrial end users, trading and distribution of compressed natural gas ("CNG") and LNG and operation of CNG and LNG refuelling stations for vehicles in the mainland ("Chinese Mainland") of the People's Republic of China (the "PRC") and the trading of LNG and production and sale of oil and gas in certain overseas countries;

(b) the water operation segment engages in the construction of sewage and water treatment plants and other infrastructural facilities, the provision of construction services for comprehensive renovation projects, sewage treatment, water treatment and distribution, and the provision of consultancy services and the licensing of technical know-how that is related to sewage treatment in the Chinese Mainland and certain overseas countries;

(c) the environmental operation segment comprises the provision of waste incineration plant construction and waste treatment services, and the sale of electricity, steam and heat generated from waste incineration in Germany and Chinese Mainland;

(d) the brewery operation segment produces, distributes and sells brewery products in Chinese Mainland; and

(e) the corporate and others segment comprises the provision of consultation services, property investment and corporate income and expense items.

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

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

Year ended 31 December 2023

	Gas operation *RMB'000*	Water operation *RMB'000*	Environmental operation *RMB'000*	Brewery operation *RMB'000*	Corporate and others *RMB'000*	Inter-segment elimination *RMB'000*	Consolidated *RMB'000*
Segment revenue	61,470,405	–	8,426,418	12,328,849	87,659	–	82,313,331
Cost of sales	(57,212,037)	–	(6,298,484)	(8,040,273)	(33,884)	–	(71,584,678)
Gross profit	4,258,368	–	2,127,934	4,288,576	53,775	–	10,728,653
Profit/(loss) from operating activities	1,446,846	–	2,212,507	993,838	(48,559)	–	4,604,632
Finance costs	(445,678)	–	(222,451)	(58,213)	(1,917,985)	–	(2,644,327)
Share of profits and losses of:							
Joint ventures	(32,727)	–	7,606	–	–	–	(25,121)
Associates	4,445,105	779,693	71,573	19,745	15,878	–	5,331,994
Profit/(loss) before tax	5,413,546	779,693	2,069,235	955,370	(1,950,666)	–	7,267,178
Income tax	(265,811)	–	(365,552)	(219,704)	(14,820)	–	(865,887)
Profit/(loss) for the year	5,147,735	779,693	1,703,683	735,666	(1,965,486)	–	6,401,291
Segment profit/(loss) attributable to shareholders of the Company	5,061,181	779,693	1,391,303	229,397	(1,963,284)	–	5,498,290
Segment assets	127,020,882	13,266,268	35,977,878	22,196,841	14,295,819	(8,302,982)	204,454,706
Segment liabilities	40,639,315	–	19,084,952	8,589,809	51,394,247	(8,302,982)	111,405,341

Year ended 31 December 2022 (Restated)

	Gas operation *RMB'000*	Water operation *RMB'000*	Environmental operation *RMB'000*	Brewery operation *RMB'000*	Corporate and others *RMB'000*	Inter-segment elimination *RMB'000*	Consolidated *RMB'000*
Segment revenue	59,862,104	–	7,861,394	11,584,948	66,590	–	79,375,036
Cost of sales	(55,153,585)	–	(5,756,610)	(7,866,463)	(30,115)	–	(68,806,773)
Gross profit	4,708,519	–	2,104,784	3,718,485	36,475	–	10,568,263
Profit/(loss) from operating activities	2,692,988	–	1,510,098	613,013	(64,587)	–	4,751,512
Finance costs	(369,120)	–	(212,030)	(39,718)	(1,161,015)	–	(1,781,883)
Share of profits and losses of:							
Joint ventures	25,627	–	–	–	–	–	25,627
Associates	4,508,204	486,052	34,280	23,416	–	–	5,051,952
Profit/(loss) before tax	6,857,699	486,052	1,332,348	596,711	(1,225,602)	–	8,047,208
Income tax	(395,507)	–	(380,553)	(145,173)	(18,917)	–	(940,150)
Profit/(loss) for the year	6,462,192	486,052	951,795	451,538	(1,244,519)	–	7,107,058
Segment profit/(loss) attributable to shareholders of the Company	6,422,477	486,052	734,954	113,516	(1,244,519)	–	6,512,480
Segment assets	121,168,580	12,555,529	33,075,321	21,620,768	14,917,234	(8,794,629)	194,542,803
Segment liabilities	38,932,745	–	17,745,262	8,534,924	47,450,448	(8,794,629)	103,868,750

Geographical information

Revenue from external customers

	2023 *RMB'000*	2022 *RMB'000* (Restated)
Chinese Mainland	**70,614,178**	65,924,621
Germany	**5,765,368**	5,076,586
Elsewhere	**5,933,785**	8,373,829
	82,313,331	79,375,036

The revenue information above is based on the locations of the customers.

Information about major customers

During each of the years ended 31 December 2023 and 2022, none of the Group's individual customers contributed 10% or more of the Group's revenue.

3. OTHER INCOME AND GAINS, NET

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Bank interest income	**891,612**	591,348
Finance income on the net investment in a finance lease	**32,416**	35,092
Government grants*	**397,018**	301,359
Transfer of assets from customers	**43,957**	39,929
Dividend income of equity investments at fair value through other comprehensive income	**28,418**	32,481
Gain on the remeasurement of pre-existing interest in an associate to acquisition-date fair value	**–**	175,439
Investment income of a financial asset at fair value through profit or loss	**–**	246,615
Gain on disposal of items of property, plant and equipment, net	**19,853**	27,979
Others	**674,534**	682,298
	2,087,808	2,132,540

* *Government grants represented government subsidies and turnover tax refunds in respect of the Group's operations in Chinese Mainland. Turnover tax includes value-added tax, city construction tax and education surcharge. The government grants are unconditional, except for certain grants that must be utilised for business development of the Company's subsidiaries.*

4. FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Interest on bank loans and other loans	**2,345,715**	1,104,464
Interest on guaranteed bonds and notes	**519,130**	655,477
Interest on lease liabilities	**33,872**	36,695
Total interest expenses	**2,898,717**	1,796,636
Increase in discounted amounts of provision for major overhauls arising from the passage of time	**2,611**	1,139
Total finance costs	**2,901,328**	1,797,775
Less: Interest capitalised	**(257,001)**	(15,892)
	2,644,327	1,781,883

5. PROFIT BEFORE TAX

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

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Cost of inventories sold	**65,617,420**	63,383,322
Cost of services provided	**5,926,347**	5,393,336
Depreciation of property, plant and equipment	**3,285,563**	3,299,909
Depreciation of right-of-use assets	**316,693**	341,548
Amortisation of operating concessions	**277,720**	209,536
Amortisation of other intangible assets	**226,992**	191,613
Impairment of receivables under service concession arrangements	**22,377**	–
Impairment/(reversal of impairment) of operating concession	**(602,860)**	73,435

6. INCOME TAX

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

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Current – Hong Kong	**16,959**	12,790
Current – Chinese Mainland		
Charge for the year	**862,176**	659,856
Over provision in prior years	**(2,948)**	(16,927)
Current – Germany		
Charge for the year	**366,472**	366,329
Under/(over) provision in prior years	**(4,581)**	1,838
Current – Others	**26,392**	15,303
Deferred	**(398,583)**	(99,039)
Total tax expense for the year	**865,887**	940,150

7. DIVIDENDS

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Interim – HK$0.93 (2022: HK$0.50) per ordinary share	**1,055,846**	542,339
Proposed final – HK$0.67 (2022: HK$1.10) per ordinary share	**685,282**	1,192,153
	1,741,128	1,734,492

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to shareholders of the Company of RMB5,498,290,000 (2022: RMB6,512,480,000 (restated)), and the weighted average number of ordinary shares of 1,260,203,268 (2022: 1,261,554,364) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for each of the years ended 31 December 2023 and 2022 for a dilution as the impact of the dilutive potential ordinary shares of associates in issue during these years is minimal.

9. 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 public services under service concession arrangements. They were all unbilled as at 31 December 2023 and 2022.

10. TRADE RECEIVABLES

Various group companies have different credit policies, depending on the requirements of their markets and the businesses in 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 trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Billed:		
Within one year	**3,678,540**	1,661,388
One to two years	**138,737**	151,476
Two to three years	**29,399**	18,290
Over three years	**21,154**	5,621
	3,867,830	1,836,775
Unbilled*	**532,448**	3,057,463
	4,400,278	4,894,238

* *The unbilled balance was attributable to (i) the sale of natural gas near the 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.*

11. TRADE AND BILLS PAYABLES

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

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Billed:		
Within one year	**3,637,593**	3,750,805
One to two years	**504,757**	217,133
Two to three years	**63,508**	16,114
Over three years	**31,479**	15,686
	4,237,337	3,999,738
Unbilled*	**537,366**	883,601
	4,774,703	4,883,339

* *The unbilled balance was attributable to (i) purchase of natural gas near the year end which was billed subsequently in early January 2024; (ii) accrued extra purchase cost which will be billed when the price is agreed by the Group with the supplier; and (iii) accrued construction costs for solid waste incineration plants and ecological construction services which have not been billed by the suppliers.*

12. EVENT AFTER THE REPORTING PERIOD

On 12 January 2024, the Company issued Ultra Short-term Commercial Papers (the "2024 SCP Series 1") in a total principal amounts of RMB2 billion for a term of 270 days with a coupon rate at 2.47% per annum. The proceeds from the 2024 SCP Series 1 are intended to be used for the repayment of the Company's existing bank loans.

13. COMPARATIVE AMOUNTS

As further detailed in note 1.2 to this announcement, the Group changed the presentation currency of the consolidated financial statements from HKD to RMB and the effects of which have been accounted for retrospectively with comparative figures restated as if RMB had always been the presentation currency of the consolidated financial statements.

In addition, certain comparative amounts have been reclassified and re-presented to conform to the current year's presentation.

DIVIDEND

The directors of the Company recommended the payment of a final dividend of HK$0.67 (2022: HK$1.1) per share for the year ended 31 December 2023 payable to shareholders whose names appear on the register of members of the Company on 17 June 2024. Subject to the approval of shareholders at the 2024 annual general meeting, the final dividend will be paid on 9 August 2024.

The final dividend will be payable in cash to each shareholder in Hong Kong dollars (“HKD”) unless an election is made to receive the same in Renminbi (“RMB”).

Shareholders will be given the option to elect to receive all (but not part) of the final dividend in RMB at the average benchmark exchange rate of HKD to RMB announced by the People’s Bank of China for the five business days prior to and including the date of the 2024 annual general meeting. To make such election, shareholders should complete the dividend currency election form, which is expected to be despatched to shareholders on or about Tuesday, 25 June 2024, and return it to the share registrar of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 10 July 2024.

Shareholders who are minded to elect to receive all (but not part) of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honored for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post on Friday, 9 August 2024 at the shareholders’ own risk.

If shareholders wish to receive the final dividend in HKD in the usual way, no additional action is required.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the dividend payment.

ANNUAL GENERAL MEETING

The 2024 annual general meeting will be held on Thursday, 6 June 2024. The notice of the 2024 annual general meeting, which constitutes part of the circular to shareholders, will be sent to all shareholders and will be published on the Company’s website (www.behl.com.hk) and The Stock Exchange of Hong Kong Limited’s (“Stock Exchange”) website (www.hkexnews.hk) in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2024 annual general meeting, and entitlement to the final dividend, the register of members of the Company will be closed. Details of such closures are set out below:

(i) For determining shareholders' eligibility to attend and vote at the 2024 annual general meeting:

Latest time to lodge transfer documents for registration	4:30 pm on Friday, 31 May 2024
Closure of register of members	Monday, 3 June 2024 to Thursday, 6 June 2024 (both dates inclusive)
2024 annual general meeting	Thursday, 6 June 2024

(ii) For determining shareholders' entitlement to the final dividend:

Latest time to lodge transfer documents for registration	4:30 pm on Wednesday, 12 June 2024
Closure of register of members	Thursday, 13 June 2024 to Monday, 17 June 2024 (both dates inclusive)
Record date	Monday, 17 June 2024

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2024 annual general meeting, and to qualify for the final 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 no later than the aforementioned latest time.

EMPLOYEES

As at 31 December 2023, the Group had approximately 31,000 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 believe that the Company complied with the code provisions of the "Corporate Governance Code" as set out in Appendix C1 to the Listing Rules for the year ended 31 December 2023.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SHARE DEALING

The Company has adopted Appendix C3 "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") 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 year ended 31 December 2023.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, Mr. Wu Jiesi, Mr. Lam Hoi Ham (the chairman of the Audit Committee) and Dr. Yu Sun Say. The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure, risk management system and internal controls system of the Group. The annual results have been reviewed and approved by the Audit Committee of the Company.

SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on the preliminary announcement.

PURCHASE, SALE AND 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 for the year ended 31 December 2023.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL 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 annual report will be sent to all shareholders 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
Yang Zhichang
Chairman

Hong Kong, 27 March 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. Yang Zhichang (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.