

# TARGET

## Intelligence Report

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### **BEIJING GAS BLUE SKY HOLDINGS LTD: STAND BY! THERE IS A GREAT DEAL MORE FORENSIC INVESTIGATIONS TO BE ILLUMINATED**

At Page 13 of the 2020 Annual Report of Beijing Gas Blue Sky Holdings Ltd, one is met with the following statement, it, being an '***EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT ON THE GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020***':

*'We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters and the potential interaction of the multiple uncertainties related to going concern and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.'*

The above is hardly the cat's pyjamas, is it?

### **The 2020 Annual Report Of Beijing Gas Blue Sky Holdings Ltd**

On or about Monday, October 25, 2021, Senior Management of Beijing Gas Blue Sky Holdings Ltd (北京燃氣藍天控股有限公司) (Code: 6828, Main Board, The Stock Exchange of Hongkong Ltd) published and disseminated its 2020 Annual Report in respect of the Financial Year, ended December 31, 2020.

At Pages 133 and 134 of the 2020 Annual Report, Management presented the following statistics with regard to the Company's financial results, the highlights of which included:

	2020	2019	Percentage Increase/(Decrease) *
	All Figures Are Denominated In \$HK'000 (except where otherwise specified)		
Revenue	1,463,102	2,676,129	(45.33)
Gross Profit	155,247	224,510	(30.85)
Gross Profit Margin*	10.61 percent	8.39 percent	26.46

(Provision For)/Reversal Of Impairment Losses On Financial Assets, Net	<b>(1,567,110)</b>	5,749	<b>(27,358.83)</b>
Impairment Losses On Other Assets	<b>(2,035,804)</b>	Nil	<b>N/A</b>
Profit/(Loss) Before Taxation	<b>(3,917,228)</b>	97,038	<b>(4,136.80)</b>
Profit/(Loss) Attributable To Shareholders	<b>(3,716,327)</b>	(10,871)	<b>34,085.70</b>
Losses Per Share Attributable To Shareholders	<b>(HK28.62 cents)</b>	(HK0.08 cents)	<b>35,675.00</b>

\*These are **TARGET**'s calculations.

At Page 136 of the 2020 Annual Report, it was stated that total '*Bank and other borrowings*', as at December 31, 2020, stood at \$HK3,518,449,000.00, an increase, Year-On-Year, of about 41.54 percent.

At Page 241 of the 2020 Annual Report of the Company, under Note 32 to the Accounts, the following table was given, it, permitting au fait shareholders and prospective investors to have a better understanding of the extent of indebtedness of the Company as at December 31, 2020:

	2020	2019	Percentage Increase/(Decrease) *
	All Figures Are Denominated In \$HK'000		
Analysed Into:			
Bank Loans Repayable:			
Within one year or on Demand	2,591,490	1,202,210	115.56
In the second year	14,243	5,817	144.85
In the third to the fifth years, inclusive	Nil	21,362	N/A
	2,605,733	1,229,389	111.95
Corporate Bonds:			
Within one year or on demand	745,070	963,200	(22.65)
In the second year	40,000	161,406	(75.22)
In the third to the fifth years, inclusive	Nil	123,926	N/A
	785,070	1,248,532	(37.12)
Other Loans Repayable:			
Within one year	28,238	2,000	1,311.90
In the second year	99,408	6,000	1,556.80
	127,646	8,000	1,495.58
Total bank and other Borrowings	3,518,449	2,485,921	41.54
Portion classified as Current Liabilities	(3,364,798)	(2,167,410)	55.25
Non-current Portion	153,651	318,511	(51.76)

In the statement of the Chairman of the Board of Directors, Mr Zhi Xiao Ye (支曉暉), is credited with the following comments in respect of Financial Year, ended December 31, 2020:

*‘The year 2020 was also of vital importance to our Group. In July 2020, our largest shareholder, Beijing Gas (Beijing Gas Group Company Ltd [北京市燃氣集團有限責任公司]), has assigned management personnel to the Group, opening a new chapter in the Group’s development. Beijing Gas helped to build a new leadership for the Group by dispatching members of the Board and management team and hiring personnel with extensive experience in city gas market expansion, business operation, corporate governance, capital operation, financial management and financial risk. Under the leadership of the new session of the Board, the Group’s various businesses have been operating steadily. We are committed to jointly developing Beijing Gas Blue Sky as a more high-quality enterprise ...*

*‘Since Beijing Gas assigned management personnel to the Group, the Group has been optimized in all aspects, and the synergies among its substantial shareholders have also been further enhanced. In terms of business, Beijing Gas Blue Sky entered into a sales contract with Beijing Gas Singapore (Beijing Gas Singapore Private Ltd [北京燃氣新加坡私人有限公司]), a subsidiary of Beijing Gas Group, in early August 2020.*

*Pursuant to the contract ... [CLICK TO ORDER FULL ARTICLE](#)*

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

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