



北京北大青鸟环宇科技股份有限公司

**BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 08095)**

## **SECOND QUARTERLY RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015**

### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “Directors”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

## SECOND QUARTERLY RESULTS (UNAUDITED)

The board of the Directors (the “Board”) announced the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015 together with the unaudited comparative figures for the corresponding period in 2014 as follows:

### Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the six months ended 30 June 2015

		Three months ended 30 June		Six months ended 30 June	
		2015	2014	2015	2014
	Note	RMB'000	RMB'000	RMB'000	RMB'000
<b>Turnover</b>	3	<b>269,172</b>	212,934	<b>416,206</b>	341,022
Cost of sales and services		<u>(150,430)</u>	<u>(118,913)</u>	<u>(232,793)</u>	<u>(196,257)</u>
<b>Gross profit</b>		<b>118,742</b>	94,021	<b>183,413</b>	144,765
Other revenue and net income	4	<b>15,521</b>	8,834	<b>46,942</b>	9,801
Distribution costs		<b>(14,521)</b>	(13,131)	<b>(26,672)</b>	(22,840)
Administrative expenses		<b>(22,381)</b>	(28,708)	<b>(46,965)</b>	(51,461)
Other operating expenses		<b>(18,524)</b>	(14,997)	<b>(25,600)</b>	(23,126)
<b>Profit from operations</b>		<b>78,837</b>	46,019	<b>131,118</b>	57,139
Finance costs	6	<b>(3,379)</b>	(2,596)	<b>(11,200)</b>	(3,974)
Share of losses of associates		<b>(541)</b>	(1,403)	<b>(2,991)</b>	(2,924)
Share of losses of joint ventures		<b>(693)</b>	(796)	<b>(1,466)</b>	(1,679)
<b>Profit before tax</b>		<b>74,224</b>	41,224	<b>115,461</b>	48,562
Income tax expense	7	<b>(10,998)</b>	(8,262)	<b>(17,756)</b>	(11,463)
<b>Profit for the period</b>	8	<b>63,226</b>	32,962	<b>97,705</b>	37,099
<b>Other comprehensive income/(loss) for the period: (after nil tax)</b>					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		<b>(1,250)</b>	99	<b>276</b>	1,774
Net gain arising on revaluation of available-for-sale financial assets during the period		<b>3,572</b>	14,452	<b>7,311</b>	9,647
Share of other comprehensive loss of joint ventures		<b>(2)</b>	(1)	<b>–</b>	(1)

	<i>Note</i>	Three months ended 30 June		Six months ended 30 June	
		2015 <i>RMB'000</i>	2014 <i>RMB'000</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
<b>Other comprehensive income for the period</b>		<u>2,320</u>	<u>14,550</u>	<u>7,587</u>	<u>11,420</u>
<b>Total comprehensive income for the period</b>		<u>65,546</u>	<u>47,512</u>	<u>105,292</u>	<u>48,519</u>
<b>Profit for the period attributable to:</b>					
Owners of the Company		29,866	13,553	42,481	15,079
Non-controlling interests		<u>33,360</u>	<u>19,409</u>	<u>55,224</u>	<u>22,020</u>
		<u>63,226</u>	<u>32,962</u>	<u>97,705</u>	<u>37,099</u>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		32,195	28,111	50,034	26,503
Non-controlling interests		<u>33,351</u>	<u>19,401</u>	<u>55,258</u>	<u>22,016</u>
		<u>65,546</u>	<u>47,512</u>	<u>105,292</u>	<u>48,519</u>
		<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
<b>Earnings per share</b>					
Basic and diluted	9	<u>2.52 cents</u>	<u>1.14 cents</u>	<u>3.59 cents</u>	<u>1.27 cents</u>

**Condensed Consolidated Statement of Financial Position**  
*At 30 June 2015*

		<b>30 June 2015 (Unaudited) RMB'000</b>	<b>31 December 2014 (Audited) RMB'000</b>
	<i>Note</i>		
<b>Non-current assets</b>			
Fixed assets	<i>11</i>	<b>159,814</b>	109,502
Goodwill		<b>20,249</b>	20,251
Other intangible assets		<b>8,091</b>	10,777
Biological assets		<b>4,642</b>	4,646
Interests in associates		<b>550,326</b>	483,317
Interests in joint ventures		<b>196,901</b>	198,564
Available-for-sale financial assets		<b>129,352</b>	122,070
Deposits paid for potential investments		<b>20,000</b>	20,000
Deferred tax assets		<b>4,552</b>	3,015
		<b>1,093,927</b>	972,142
<b>Current assets</b>			
Inventories		<b>146,630</b>	91,467
Trade and bills receivables	<i>12</i>	<b>373,984</b>	283,047
Amount due from an associate		<b>33,498</b>	33,498
Prepayments, deposits and other receivables	<i>13</i>	<b>51,767</b>	28,666
Time deposits with original maturity of more than three months when acquired		<b>1,077</b>	1,078
Cash and cash equivalents		<b>235,516</b>	365,688
		<b>842,472</b>	803,444
Assets of disposal groups classified as held for sale		<b>–</b>	80,077
		<b>842,472</b>	883,521
<b>Total assets</b>		<b>1,936,399</b>	1,855,663
<b>Current liabilities</b>			
Trade and other payables	<i>14</i>	<b>238,853</b>	223,611
Bank loans		<b>215,286</b>	207,770
Finance lease payables		<b>14</b>	59
Current taxation		<b>10,861</b>	22,322
		<b>465,014</b>	453,762

		<b>30 June 2015 (Unaudited) RMB'000</b>	<b>31 December 2014 (Audited) RMB'000</b>
	<i>Note</i>		
Liabilities of disposal groups classified as held for sale		<u>–</u>	<u>2,159</u>
		<b>465,014</b>	<u>455,921</u>
<b>Net current assets</b>		<b>377,458</b>	<u>427,600</u>
<b>NET ASSETS</b>		<b>1,471,385</b>	<u>1,399,742</u>
<b>Capital and reserves</b>			
Share capital	<i>15</i>	<b>118,480</b>	118,480
Reserves		<b>1,019,083</b>	<u>969,049</u>
Equity attributable to owners of the Company		<b>1,137,563</b>	1,087,529
Non-controlling interests		<b>333,822</b>	<u>312,213</u>
<b>TOTAL EQUITY</b>		<b>1,471,385</b>	<u>1,399,742</u>

# Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2015

	Attributable to owners of the Company									Total equity
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Investment revaluation reserve	Other reserve	Retained profits	Total	Non-controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2014	118,480	377,720	93,954	(77,707)	91,881	12,552	411,453	1,028,333	250,283	1,278,616
Total comprehensive income for the period	-	-	-	1,777	9,647	-	15,079	26,503	22,016	48,519
Transfer	-	-	5,124	-	-	-	(5,124)	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	15,000	15,000
Change in equity interests in a subsidiary without change in control	-	-	-	27	-	-	(203)	(176)	176	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(227)	(227)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(19,712)	(19,712)
Changes in equity for the period	-	-	5,124	1,804	9,647	-	9,752	26,327	17,253	43,580
Balance at 30 June 2014	<u>118,480</u>	<u>377,720</u>	<u>99,078</u>	<u>(75,903)</u>	<u>101,528</u>	<u>12,552</u>	<u>421,205</u>	<u>1,054,660</u>	<u>267,536</u>	<u>1,322,196</u>
Balance at 1 January 2015	118,480	377,720	108,954	(76,323)	49,051	12,552	497,095	1,087,529	312,213	1,399,742
Total comprehensive income for the period	-	-	-	242	7,311	-	42,481	50,034	55,258	105,292
Disposals of subsidiaries	-	-	-	-	-	-	-	-	(11,557)	(11,557)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(22,092)	(22,092)
Changes in equity for the period	-	-	-	242	7,311	-	42,481	50,034	21,609	71,643
Balance at 30 June 2015	<u>118,480</u>	<u>377,720</u>	<u>108,954</u>	<u>(76,081)</u>	<u>56,362</u>	<u>12,552</u>	<u>539,576</u>	<u>1,137,563</u>	<u>333,822</u>	<u>1,471,385</u>

**Condensed Consolidated Statement of Cash Flows (Unaudited)***For the six months ended 30 June 2015*

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Net cash used in operating activities	<b>(59,433)</b>	(92,207)
Net cash used in investing activities	<b>(48,393)</b>	(136,869)
Net cash (used in)/generated from financing activities	<u><b>(23,608)</b></u>	<u>126,660</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(131,434)</b>	(102,416)
Effect of foreign exchange rate changes	<b>1,262</b>	(1,497)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u><b>365,688</b></u>	<u>285,086</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>235,516</b></u>	<u><b>181,173</b></u>
<b>Analysis of the balances of cash and cash equivalents:</b>		
Cash and bank balances	<b>235,516</b>	181,173
Time deposits	<u><b>1,077</b></u>	<u>1,082</u>
	<b>236,593</b>	182,255
Less: Non-pledged time deposits with original maturity of more than three months when acquired	<u><b>(1,077)</b></u>	<u>(1,082)</u>
Cash and cash equivalents	<u><b>235,516</b></u>	<u><b>181,173</b></u>

*Note:*

## **1. GENERAL INFORMATION**

The Company was incorporated in the People's Republic of China (the "PRC") as a sino-foreign joint stock limited liability company. The Company's H shares are listed on GEM. The address of its registered office is 3rd Floor, Beida Jade Bird Building, Yanyuan District Area 3, No.5 Haidian Road, Haidian District, Beijing 100080, the PRC. The addresses of its principal place of business in the PRC and Hong Kong are 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC and Unit 7605, 76th Floor, The Center, 99 Queen's Road Central, Hong Kong respectively.

The Company is engaged in the marketing and sale of embedded system products and related products. The principal activities of its subsidiaries are the research, development, manufacture, marketing, contract work and sale of electronic fire alarm systems and related products, the development of travel and leisure business, investment holding and production and sales of wine and related products.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Statement of compliance**

These financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

### **(b) Basis of preparation of the financial statements**

The consolidated financial statements for the six months ended 30 June 2015 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

- certain financial instruments classified as available-for-sale investments; and
- biological assets.



(c) **Change in accounting policies**

In the current period, the Group has adopted all new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for accounting period beginning on 1 January 2015. The adoption of these new/revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current period and prior periods.

The Group has not applied the new/revised HKFRSs that have been issued but are not yet effective.

The Group has already commenced an assessment of the impact of these new/revised HKFRSs but is not yet in a position to state whether these new/revised HKFRSs would have a material impact on its results of operations and financial position.

Save as aforesaid or as otherwise mentioned in this announcement, the accounting policies adopted in preparing these unaudited second quarterly condensed consolidated financial statements are consistent with those used in the Company’s annual audited consolidated financial statements for the year ended 31 December 2014. These condensed consolidated financial statements should be read in conjunction with these mentioned audited financial statements.

**3. TURNOVER**

The Group’s turnover which represents the net invoiced value of goods sold and services rendered to customers, after allowances for returns and trade discounts and net of sales tax are as follows:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b><i>RMB’000</i></b>	<i>RMB’000</i>	<b><i>RMB’000</i></b>	<i>RMB’000</i>
Sales and contract works of embedded system products and related products	<b>238,366</b>	187,897	<b>364,587</b>	298,365
Rendering of travel and leisure services	<b>27,703</b>	21,650	<b>46,437</b>	37,150
Sales of wine and related products	<b>3,103</b>	3,387	<b>5,182</b>	5,507
	<b><u>269,172</u></b>	<u>212,934</u>	<b><u>416,206</u></b>	<u>341,022</u>

#### 4. OTHER REVENUE AND NET INCOME

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	220	149	518	446
Gain on disposals of subsidiaries	–	–	26,050	344
Government grant	15,053	5,809	20,053	5,882
Rental income	223	306	422	609
Others	25	2,570	(101)	2,520
	<u>15,521</u>	<u>8,834</u>	<u>46,942</u>	<u>9,801</u>

#### 5. SEGMENT INFORMATION

The Group determines its operating segments based on its strategic business units, which are organised by business lines (products and services), that are managed separately by the chief operating decision-maker, the executive directors of the Group. Each strategic unit requires different technology, development and marketing strategies.

The Group has presented the following three reportable segments, which were managed separately based on their business nature:

Manufacture and sale of electronic fire equipment	– research, development, manufacture, marketing, contract work and sale of electronic fire alarm systems and related products
Tourism development	– development of travel and leisure business
Investment holding	– holding of fund, debt and equity investment

All other segments represent business activities and operating segments not separately reported, including production and sales of wine and related products.

The accounting policies of the operating segments are the same as those applied by the Group in the financial statements. Segment assets include all tangible, intangible assets, interests in joint ventures, interests in associates, available-for-sale financial assets and current assets, with exception of unallocated corporate assets. The measure used for reporting segment profit is “adjusted EBIT” i.e. adjusted earnings before interests and taxes. Segment profits or losses do not include bank interest income, interest income from loans to others, unallocated other revenue and net income, finance costs and unallocated corporate expenses.

Information about reportable segment profit or loss:

	Manufacture and sale of electronic fire equipment <i>RMB'000</i>	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	Reportable segment total <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2015</b>						
Revenue from external customers	<u>364,587</u>	<u>46,437</u>	<u>–</u>	<u>411,024</u>	<u>5,182</u>	<u>416,206</u>
Segment profit/(loss)	<u>106,156</u>	<u>15,038</u>	<u>(6,313)</u>	<u>114,881</u>	<u>1,185</u>	<u>116,066</u>
Bank interest income						518
Unallocated other revenue and net income						20,373
Finance costs						(11,200)
Unallocated corporate expenses						<u>(10,296)</u>
Profit before tax						<u>115,461</u>
<b>Other segment information:</b>						
Depreciation and amortisation expenses	4,876	4,486	9	9,371	799	10,170
Share of losses of associates	–	(1,657)	(1,334)	(2,991)	–	(2,991)
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(1,466)</u>	<u>(1,466)</u>	<u>–</u>	<u>(1,466)</u>
<b>Six months ended 30 June 2014</b>						
Revenue from external customers	<u>298,169</u>	<u>37,150</u>	<u>–</u>	<u>335,319</u>	<u>5,703</u>	<u>341,022</u>
Segment profit/(loss)	<u>61,093</u>	<u>(3,206)</u>	<u>(6,489)</u>	<u>51,398</u>	<u>3,766</u>	<u>55,164</u>
Bank interest income						446
Unallocated other revenue and net income						9,011
Finance costs						(3,974)
Unallocated corporate expenses						<u>(12,085)</u>
Profit before tax						<u>48,562</u>
<b>Other segment information:</b>						
Depreciation and amortisation expenses	4,301	6,384	4	10,689	785	11,474
Share of losses of associates	–	(1,468)	(1,456)	(2,924)	–	(2,924)
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(1,679)</u>	<u>(1,679)</u>	<u>–</u>	<u>(1,679)</u>

There are no inter-segment sales during the period (2014: nil).

Information about reportable total assets:

	Manufacture and sale of electronic fire equipment <i>RMB'000</i>	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	Reportable segment total <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
<b>At 30 June 2015</b>						
Segment assets	<u>782,897</u>	<u>275,151</u>	<u>748,372</u>	<u>1,806,420</u>	<u>30,775</u>	1,837,195
Unallocated corporate assets						<u>99,204</u>
Total assets						<u>1,936,399</u>
<b>Segment assets including:</b>						
Interests in associates	–	143,306	407,020	550,326	–	550,326
Interests in joint ventures	–	–	196,901	196,901	–	196,901
Additions to non-current segment assets	<u>58,961</u>	<u>70,201</u>	<u>77</u>	<u>129,239</u>	<u>188</u>	<u>129,427</u>
<b>At 31 December 2014</b>						
Segment assets	<u>681,891</u>	<u>292,208</u>	<u>743,017</u>	<u>1,717,116</u>	<u>29,907</u>	1,747,023
Unallocated corporate assets						<u>108,640</u>
Total assets						<u>1,855,663</u>
<b>Segment assets including:</b>						
Interests in associates	–	74,964	408,353	483,317	–	483,317
Interests in joint ventures	–	–	198,564	198,564	–	198,564
Additions to non-current segment assets	<u>14,242</u>	<u>28,023</u>	<u>111,395</u>	<u>153,660</u>	<u>366</u>	<u>154,026</u>

## Geographical information:

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's fixed assets, other intangible assets, biological assets, deposits paid for potential investments, goodwill and interests in associates and joint ventures ("non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset, in the case of fixed assets and biological assets, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of deposits paid for potential investments and interests in associates and joint ventures.

	Revenue		Non-current assets	
	Six months ended			
	30 June	30 June	30 June	31 December
	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC except Hong Kong (country of domicile)	<b>411,024</b>	335,515	<b>927,726</b>	813,270
Hong Kong	–	–	–	6
The United States	<b>5,182</b>	5,507	<b>22,315</b>	22,966
Canada	–	–	<b>9,982</b>	10,815
	<b>416,206</b>	341,022	<b>960,023</b>	847,057

## Revenue from major products and services

	Six months ended	
	30 June	30 June
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Sales and contract works of embedded system products and related products	<b>364,587</b>	298,365
Rendering of travel and leisure services	<b>46,437</b>	37,150
Sales of wine and related products	<b>5,182</b>	5,507
	<b>416,206</b>	341,022

For the six months ended 30 June 2015 and 2014, revenue from any single external customer does not amount to 10% or more of the Group's revenue.

## 6. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interests on				
– bank loans	<b>3,309</b>	3,661	<b>8,908</b>	6,626
– other loans	–	107	–	257
Net foreign exchange losses/(gain)	<b>70</b>	(1,172)	<b>2,292</b>	(2,909)
	<b><u>3,379</u></b>	<b><u>2,596</u></b>	<b><u>11,200</u></b>	<b><u>3,974</u></b>

## 7. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC Enterprise				
Income Tax				
Provision for the period	<b>12,535</b>	8,702	<b>19,293</b>	11,903
Deferred tax	<b>(1,537)</b>	(440)	<b>(1,537)</b>	(440)
	<b><u>10,998</u></b>	<b><u>8,262</u></b>	<b><u>17,756</u></b>	<b><u>11,463</u></b>

No provision for Hong Kong Profits Tax had been made in the consolidated financial statements as the Group has no assessable profit in Hong Kong for the six months ended 30 June 2015 and 2014.

Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the country in which the Group operates, based on existing legislation, interpretations, and practices in respect thereof.

During the year ended 31 December 2009, two subsidiaries of the Company had been certified by the relevant PRC authorities as high technology enterprises. Pursuant to the Income Tax Law in the PRC, the two subsidiaries are subject to PRC Enterprise Income Tax at a rate of 15% effective for three years ended 31 December 2012. During the year 2012, two subsidiaries of the Company renewed the certificates and are continuously subject to the rate of 15% effective for another three years ending 31 December 2015.

Pursuant to the relevant laws and regulations in the PRC, one of the Group's PRC subsidiaries is exempted from PRC income tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years.

Other subsidiaries of the Company established in the PRC are generally subject to income tax on their taxable income at a tax rate of 25% (2014: 25%).

## 8. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after charging/(crediting) the following:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Amortisation of other intangible assets				
Included in cost of sales and services	<b>1,071</b>	1,071	<b>2,143</b>	2,143
Included in administrative expenses	<b>345</b>	283	<b>713</b>	513
Depreciation	<b>4,005</b>	4,872	<b>7,944</b>	10,121
(Gain)/loss on disposal of fixed assets	<b>(31)</b>	19	<b>62</b>	174

## 9. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company for the three months ended 30 June 2015 and 2014 is based on the profit for the period attributable to owners of the Company of RMB29,866,000 (2014: RMB13,553,000) and the weighted average number of ordinary shares of 1,184,800,000 (2014: 1,184,800,000) in issue during the period.

The calculation of basic earnings per share attributable to owners of the Company for the six months ended 30 June 2015 and 2014 is based on the profit for the period attributable to owners of the Company of RMB42,481,000 (2014: RMB15,079,000) and the weighted average number of ordinary shares of 1,184,800,000 (2014: 1,184,800,000) in issue during the period.

### (b) Diluted earnings per share

No adjustment has been made to the basic profit per share amounts presented for the three months ended 30 June 2015 and 2014. Therefore, the calculation of the diluted earnings per share is based on the profit for the period attributable to owners of the Company for the three months ended 30 June 2015 and 2014 of RMB29,866,000 (2014: RMB13,553,000) and the weighted average number of ordinary shares of 1,184,800,000 (2014: 1,184,800,000) in issue during the period.

No adjustment has been made to the basic profit per share amounts presented for the six months ended 30 June 2015 and 2014. Therefore, the calculation of the diluted earnings per share is based on the profit for the period attributable to owners of the Company for the six months ended 30 June 2015 and 2014 of RMB42,481,000 (2014: RMB15,079,000) and the weighted average number of ordinary shares of 1,184,800,000 (2014: 1,184,800,000) in issue during the period.

## 10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

## 11. FIXED ASSETS

During the period, the Group had additions to fixed assets of approximately RMB59,351,000 and disposed of fixed assets with net book value of approximately RMB365,000.

## 12. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is sometimes required. The credit period generally ranges from 3 to 6 months, starting from the date on which the significant risks and rewards of ownership of products are transferred by the Group to customers or the date of completion of services provided or the payment due date as defined in the contracts, whichever is the latest. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforesaid and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and bills receivables are non-interest-bearing.

The ageing analysis of the trade and bills receivables based on the invoice date which approximates the respective revenue recognition date, or the bills issue date is as follows:

	<b>30 June 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>
0 to 90 days	<b>257,455</b>	228,902
91 to 180 days	<b>64,283</b>	36,290
181 to 365 days	<b>39,261</b>	14,993
Over 365 days	<b>12,985</b>	2,862
	<b><u>373,984</u></b>	<b><u>283,047</u></b>

## 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>30 June 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>
Advances to staff	<b>3,290</b>	2,142
Other receivables	<b>6,403</b>	5,449
Due from a former subsidiary	<b>24,553</b>	–
Loans and interest receivables	<b>2,838</b>	4,000
Less: Allowance for doubtful debt	<b>(2,467)</b>	(2,315)
	<b><u>34,617</u></b>	<b><u>9,276</u></b>
Prepayments	<b>4,460</b>	5,528
Deposits	<b>1,049</b>	1,863
Advances to suppliers	<b>7,175</b>	4,734
Gross amount due from customers for construction works	<b>4,466</b>	7,265
	<b><u>51,767</u></b>	<b><u>28,666</u></b>



#### 14. TRADE AND OTHER PAYABLES

	<b>30 June 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>
Trade payables	<b>162,248</b>	133,301
Accruals and other payables	<b>53,774</b>	68,874
Due to shareholders	<b>830</b>	798
Due to related parties	<b>793</b>	809
Due to associates	<b>5,400</b>	5,495
	<b>223,045</b>	209,277
Advances from customers	<b>14,060</b>	12,513
Gross amount due to customers for construction works	<b>1,748</b>	1,821
	<b>238,853</b>	223,611

The related parties are subsidiaries of a substantial shareholder of the Company, Peking University.

The ageing analysis of trade payables, based on the date on which the significant risks and rewards of ownership of materials were transferred by the suppliers to the Group, is as follows:

	<b>30 June 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>
0 to 90 days	<b>148,046</b>	121,497
91 to 180 days	<b>3,699</b>	1,529
181 to 365 days	<b>2,790</b>	1,313
Over 365 days	<b>7,713</b>	8,962
	<b>162,248</b>	133,301

#### 15. SHARE CAPITAL

	<b>30 June 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>
Registered, issued and fully paid:		
700,000,000 promoters shares of RMB0.10 each	<b>70,000</b>	70,000
484,800,000 H Shares of RMB0.10 each	<b>48,480</b>	48,480
	<b>118,480</b>	118,480

## 16. DISPOSALS OF SUBSIDIARIES

### For the six months ended 30 June 2015

During the six months ended 30 June 2015, the Group disposed of each of (i) its 70% equity interest in Changbai Mountain Protection and Development Area Chuanqi Cultural Development Company Limited (“Changbai Mountain Chuanqi”) at a consideration of RMB40,680,000; (ii) its 70% equity interest in Beijing Badaling Chuanqi Tourism Development Company Limited (“Badaling Chuanqi”) at a consideration of RMB39,650,000 together with releasing the capital contribution of RMB35,000,000; and (iii) its 60% equity interest in Beijing Heyuan Investment Co., Ltd. at a consideration of RMB1, to independent third parties.

**RMB’000**

#### **Consideration received:**

Cash consideration received	<b>80,330</b>
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#### **Analysis of assets and liabilities over which control was lost:**

Fixed assets	<b>37,665</b>
Intangible assets	<b>36</b>
Deposit paid	<b>30,000</b>
Inventories	<b>563</b>
Trade and other receivables	<b>10,901</b>
Bank and cash balances	<b>912</b>
Trade and other payables	<b>(2,159)</b>
Balances with group companies	<b>(12,081)</b>
Net assets disposed of	<b>65,837</b>

#### **Gain on disposals of subsidiaries:**

Consideration received	<b>80,330</b>
Net assets disposed of	<b>(65,837)</b>
Non-controlling interests	<b>11,557</b>
Gain on disposals of subsidiaries	<b>26,050</b>

**For the six months ended 30 June 2014**

During the six months ended 30 June 2014, the Group disposed of its entire 51% equity interests in Shenyang Jade Bird Security System Engineering Technology Company Limited to independent third parties for total consideration of RMB510,000.

*RMB'000***Consideration received:**

Cash consideration received	<u>510</u>
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**Analysis of assets and liabilities over which control was lost:**

Fixed assets	140
Deferred tax assets	39
Inventories	294
Trade receivables	2,443
Prepayment, deposits and other receivables	101
Bank and cash balances	66
Trade and other payables	(2,652)
Current taxation	<u>(38)</u>

Net assets disposed of	<u>393</u>
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**Gain on disposal of a subsidiary:**

Consideration received	510
Net assets disposed of	(393)
Non-controlling interests	<u>227</u>

Gain on disposal of a subsidiary	<u>344</u>
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## 17. MATERIAL RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with its related parties during the period:

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	<b>RMB'000</b>
Sales of electronic fire alarm systems and related products to related companies controlled by Peking University	<u>15</u>	<u>23</u>
Rental expenses for office building charged by		
– a shareholder of the Company	793	759
– Peking University	<u>–</u>	<u>36</u>
	<u>793</u>	<u>795</u>
Interest expenses paid to a non-controlling shareholder of a subsidiary	<u>–</u>	<u>257</u>
Consultancy fees paid to an associate	<u>–</u>	<u>1,030</u>
Rental income from an associate	<u>95</u>	<u>90</u>

The Directors are of the opinion that the above transactions with related parties were conducted in the usual course of business.

- (b) During the six months ended 30 June 2014, a subsidiary of the Company and a related company controlled by a shareholder of the Company entered into (a) the software development agreement, pursuant to which the related company was engaged by the subsidiary of the Company to develop the software used for the central management of fire safety systems at various locations at the consideration of RMB1.5 million; and (b) the copyright transfer agreements, pursuant to which the related company transferred to the subsidiary of the Company (i) the ownership of the copyright of the system software designed for monitoring the operations of fire apparatus in the PRC; and (ii) the ownership of the copyright of the long distance fire monitoring system software in the PRC, at the considerations of RMB1.19 million and RMB2.21 million respectively.
- (c) Compensation of key management personnel of the Group:

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	<b>RMB'000</b>
Short term employee benefits	2,364	2,478
Post-employment benefits	<u>92</u>	<u>81</u>
	<u>2,456</u>	<u>2,559</u>

## 18. FINANCIAL GUARANTEE

On 31 January 2013, the Group and the Company have issued a guarantee in respect of a banking facility made by a bank to an associate of the Group which expires on 25 March 2023.

At the end of the reporting period, the directors do not consider it probable that a claim will be made against the Group under the guarantee. The maximum liability of the Group at the end of the reporting period under the guarantee issued is the facility drawn down by the associate of RMB200,000,000 (31 December 2014: RMB200,000,000). The Group have not recognised any deferred income in respect of the financial guarantee as its fair value was considered insignificant.

## 19. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	<b>30 June 2015 RMB'000</b>	<b>31 December 2014 RMB'000</b>
Contracted but not provided for:		
Fixed assets	<b>22,961</b>	23,694
Capital contribution to associates	<b><u>297,300</u></b>	<b><u>367,300</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### *Overall performance*

Benefited from the steady growth of economy in the PRC and the continued satisfactory performance of the Group's main core businesses including manufacture and sale of electronic fire equipment and tourism development, the Group recorded the turnover of approximately RMB416.2 million (2014: RMB341.0 million) for the six months ended 30 June 2015, increased by approximately RMB75.2 million or 22.1% year-on-year. Gross profit reached approximately RMB183.4 million (2014: RMB144.8 million), increased by approximately RMB38.6 million or 26.7% year-on-year, as a result of the record high turnover for the period. Gross profit margin was approximately 44.1% (2014: 42.5%) which remained steady. The Group's total expenses, including distribution costs, administrative expenses and other expenses, were increased slightly by 1.8% to approximately RMB99.2 million (2014: RMB97.4 million). Increase in the interests on bank and other loans included in the finance costs to approximately RMB8.9 million (2014: RMB6.9 million) was mainly due to increase in borrowings used for business expansion. In December 2014, the Group entered into equity interest transfer agreements with independent third parties for the disposal of its indirect non-wholly owned subsidiaries at an aggregate consideration of approximately RMB80.3 million. Such disposals were completed and accrued an aggregated gain before tax of approximately RMB26.1 million for the six months ended 30 June 2015. During the period, benefits from the record high turnover and stable gross margin ratio and cost structures, together with a gain arisen from disposals of subsidiaries of approximately RMB26.1 million (2014: RMB0.3 million), resulted in the increase in profit attributable to owners of the Company by 181.5% to approximately RMB42.5 million compared to the first half of 2014 (2014: RMB15.1 million).

#### **Manufacture and sale of electronic fire equipment**

During the six months ended 30 June 2015, turnover from manufacture and sale of electronic fire equipment business reached approximately RMB364.6 million (2014: RMB298.2 million), representing an increase of 22.3% year-on-year and 87.6% of the Group's total turnover. The continuous and robust growth in the aggregate amount of the contracts and orders was mainly attributable to the concerted effort of the Group and its dealers in expanding the market, continuous brand buildings by conducting promotional campaigns, broadening product portfolio by strengthening the capacity of research and development and increase in competitiveness by launching products in accordance with newly implemented fire safety standards. To cope with the growth pace and meet the expected upsurge in demand in the second half of 2015, more inventories were kept at the reporting period end and production capacity was expanded with more upgraded machines equipped.

## Tourism development

Turnover from tourism development business of approximately RMB46.4 million was recorded for the six months ended 30 June 2015 (2014: RMB37.1 million), which was increased by 25.1% year-on-year and accounted for 11.2% of the Group's total turnover. The performance of the environmental bus service and the property management service operated by the Group in Hengshan Mountain scenic area remained steady. Such increase in turnover was mainly attributable to the increase in the number of visitors to Hengshan during the period.

The Group's associate, Changsha Songya Lake Construction Investment Co., Ltd. ("Songya Lake Construction") continued to take part in the construction and land development project of landscape architectures centered on Sonya Lake. On 31 January 2013, the Company, as a guarantor, executed a guarantee in favour of two banks (the "Banks"), in relation to the provision of guarantee by the Company in favour of the Banks to secure obligations of Songya Lake Construction, under the facility agreement in respect of the aggregate principal amount of RMB986,000,000 (the "Guarantee"). The amount of the Guarantee provided by the Company is RMB200,000,000 in respect of the principal amount and the related interest, default interest, compound interest, compensation, default fine, compensation for damages and expenses incurred in enforcing the claims, which exceeded 8% of the Group's total assets value as at 30 June 2015. The unaudited consolidated statement of financial position of Songya Lake Construction and the Group's attributable interests in Sonya Lake Construction based on its unaudited consolidated financial statements for the six months ended 30 June 2015 prepared in accordance with the generally accepted accounting principles in the PRC, adjusted for any differences in accounting policies, are presented below:

	<b>Consolidated statement of financial position RMB'000</b>	<b>Group's attributable interests RMB'000</b>
Assets	1,849,533	517,129
Liabilities	<u>(1,711,012)</u>	<u>(478,399)</u>
Net assets	<u>138,521</u>	<u>38,730</u>

## **Investment holding**

As at 30 June 2015, the Group's investment holding business mainly included investments in three private equity funds (the investment areas of which included private enterprises in the PRC with businesses ranging from the provision of information technology vocational education, insurance business, baby products retailing business, manufacturing and sale of light-emitting diode related products and property development), the equity interests in listed companies in Hong Kong, and the equity interest in a private enterprise in the PRC which is principally engaged in manufacture and sale of light-emitting diode related products. As at 30 June 2015, the total assets of the Group's investment holding business amounted to approximately RMB748.4 million (31 December 2014: RMB743.0 million), representing a slight increase of 0.7%.

On 13 February 2015, a subsidiary of the Company and a connected person of the Company entered into the equity interest transfer agreement (the "Agreement"), pursuant to which the subsidiary of the Company has conditionally agreed to acquire 20% equity interest in a venture capital company at a consideration of RMB50,000,000. The venture capital company is a company incorporated in Beijing, the PRC with a registered capital of RMB250 million and its scope of business is venture capital investment, entrusted agency services for venture capital investment business on behalf of other venture capital institutional or individual investors, venture capital investment consultancy, and provision of venture management services for startup companies. The Agreement and the transactions contemplated thereunder are subject to the approval of the independent shareholders of the Company through a special general meeting to be convened by the Company on 6 August 2015.

## **Outlook**

Looking forward, the Group will step up efforts on the exploration of fire safety market by increase in the support to the dealers and conducting promotional campaigns across the region. The Group will also continue to make further investment to research and development and concentrate on building team of high calibre people so as to strengthen our core competitiveness. Meanwhile, the Group will actively work out an international strategic development plan which will help the Group to enter the international market by obtaining further international certifications for our fire safety products.

In the PRC, the mass tourism has become the mainstream. Tourism has evolved from an extravagant lifestyle for only few people to an activity affordable by mass consumers. As tourism becomes an integral part of daily life, development of tourism industry has been high in agenda for many regions, benefiting tourism industry in the PRC with forthcoming opportunities. The Group expects to diversify the tourism business through participation of tourism development projects.

The Group will also keep on seeking potential investment opportunities arising in the future in order to further expand its investment portfolio and broaden its source of income.



## **Material acquisitions and disposals of subsidiaries and affiliated companies**

On 31 December 2014, Chuanqi Tourism Investment Co., Ltd., a subsidiary of the Company, entered into the equity interest transfer agreements with an independent third party for (1) the disposal of 70% equity interest in Changbai Mountain Chuanqi, an indirect non-wholly owned subsidiary of the Company, at a consideration of RMB40,680,000; and (2) for the disposal of 70% equity interest in Badaling Chuanqi, an indirect non-wholly owned subsidiary of the Company, at a consideration of RMB39,650,000 together with releasing the capital contribution commitments of RMB35,000,000. Completion of the disposals took place during the six months ended 30 June 2015 and each of Changbai Mountain Chuanqi and Badaling Chuanqi ceased to be a subsidiary of the Company.

Saved as disclosed herein this section, during the six months ended 30 June 2015, the Group did not effect any material acquisitions and disposals which would be required to be disclosed under the GEM Listing Rules.

## **Liquidity, financial resources and capital structure**

During the six months ended 30 June 2015, the Group's major operations were financed mainly by the internal financial resources and by corporate borrowings. As at 30 June 2015, the Group had cash and bank balances of approximately RMB236.6 million, which were denominated mainly in Renminbi ("RMB"), Hong Kong dollars ("HK\$"), US dollars ("USD") and Canadian dollars ("CAD").

As at 30 June 2015, the Group had net assets of approximately RMB1,471.4 million. The Group had total outstanding borrowings of approximately RMB215.3 million, comprising secured bank loans of approximately RMB185.3 million, unsecured bank loans of approximately RMB30 million and a guaranteed finance lease payables of approximately RMB14,000. The bank loans were denominated in RMB, USD and CAD and bore interest rates ranging from 4.3% per annum to 7.8% per annum.

As at 30 June 2015, the Company's outstanding number of issued promoters shares and H shares of RMB0.10 each were 700,000,000 shares and 480,000,000 shares respectively. There was no change in share capital of the Company during the period.

The gearing ratio of the Group as at 30 June 2015, which is measured by total indebtedness to total equity, was 14.6% (31 December 2014: 14.8%). The increase in gearing ratio was mainly due to the increase in borrowings to cope with business expansion of the Group.

## **Significant investments held**

Saved as disclosed herein this section, for the six months ended 30 June 2015, the Group had no significant investment held.

## **Future plans for material investments or capital assets**

Saved as disclosed herein this section, the Group did not have any significant investment plans as at 30 June 2015.

## **Contingent liabilities**

The Group had contingent liabilities in the sum of approximately RMB200 million in respect of guarantee for banking facilities granted to an associate of the Company.

Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 30 June 2015.

## **Foreign exchange exposure**

The Group is exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, CAD, RMB and HK\$. The Group has not formulated a foreign currency hedging policy as RMB, being the functional currency of the Group, is comparatively strong. In addition, turnover and most of the production costs are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group continues to monitor its foreign exchange exposure and will take measures to lower the foreign currency risk when necessary.

## **Charge on assets**

As at 30 June 2015, the Group's certain fixed assets with carrying amount of approximately RMB55.3 million (31 December 2014: RMB49.3 million), other intangible assets with carrying amount of approximately RMB14,000 (31 December 2014: RMB2.2 million) and bank deposit and bank balances of approximately RMB0.1 million (31 December 2014: RMB1.4 million) were pledged as securities for the Group's bank loans.

## **Employees and remuneration policy**

The Group had a stable workforce of 1,835 people at the end of the period, up 4.4% since the end of 2014. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds are contributed on a timely basis.

Director's emoluments consist of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director.

The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB68.5 million for the six months ended 30 June 2015 (2014: RMB57.1 million).

## DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the interests (including interests in shares and short positions) of Directors, supervisors (the “Supervisors”), and chief executives of the Company in the shares (the “Shares”) and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules, were as follows:

### Long positions in ordinary shares and underlying shares of the Company

		Number of ordinary Shares					
Name	Capacity	Interests in	Interests in	Total	Approximate	Approximate	Approximate
		promoters	H Shares		percentage of	percentage of	percentage of
		Shares			the Company's	the Company's	the Company's
		(Note)			total number	total number	total issued
					of issued	of issued	share capital
					promoters	promoters	
					Shares	H Shares	
Director							
Mr. Zhang Wanzhong	Beneficial owner and beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	17.34%
Supervisor							
Ms. Zhou Min	Beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	17.34%

*Note:*

The above Directors and Supervisors are taken to be interested in the issued share capital of the Company through their respective interests as beneficiaries, among other beneficiaries, of Heng Huat trust (“Heng Huat Trust”). By a declaration of Heng Huat Trust made as a deed on 19 July 2000, Mr. Xu Zhendong, Mr. Zhang Wanzhong and Ms. Liu Yue (who has been replaced by Mr. Xu Zhixiang since 9 May 2003 as a trustee) declared that they held the shares of Heng Huat Investments Limited (“Heng Huat”) as trustees for the benefits of over 300 employees of Beijing Beida Jade Bird Software System Co., Ltd. (“JB Software”), Beijing Beida Jade Bird Limited (“Beida Jade Bird”) and Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd. and their respective subsidiaries and associated companies and the Company. Heng Huat is beneficially interested in the entire issued share capital of Dynamic Win Assets Limited (“Dynamic Win”), and is taken to be interested in 205,414,000 shares of the Company which Dynamic Win is interested. Mr. Xu Zhendong, Mr. Zhang Wanzhong and Mr. Xu Zhixiang (who replaced Ms. Liu Yue as a trustee on 9 May 2003 upon Ms. Liu Yue’s resignation as a trustee on the same date) are trustees holding 60, 20 and 20 shares out of 100 shares in the issued share capital of Heng Huat. Each of Mr. Xu Zhendong and Mr. Xu Zhixiang was former Director who resigned on 5 May 2015.

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules as at 30 June 2015.

## **DIRECTORS’ AND SUPERVISORS’ RIGHTS TO ACQUIRE SHARES**

At no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Director and Supervisor or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors and Supervisors to acquire such rights in any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2015, the following interests and short positions of the issued share capital of the Company were recorded in the register of interests required to be maintained by the Company pursuant to Section 336 of the SFO:

### Long positions in ordinary shares and underlying shares of the Company

Name of shareholder	Note	Capacity	Number of promoters Shares held	Approximate percentage of the Company's total number of issued promoters Shares	Approximate percentage of the Company's total issued share capital
1. Peking University	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
2. Beida Asset Management Co., Ltd.	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
3. Beijing Beida Jade Bird Software System Co., Ltd.	(a), (b)	Through a controlled corporation	200,000,000	28.57%	16.88%
4. Beijing Beida Jade Bird Limited	(a), (c)	Directly beneficially owned and through a controlled corporation	200,000,000	28.57%	16.88%
5. Shenzhen Beida Jade Bird Sci-Tech Co., Ltd.	(a)	Directly beneficially owned	85,000,000	12.14%	7.17%
6. Grand East (H.K.) Limited		Directly beneficially owned	110,000,000	15.71%	9.28%
7. Heng Huat Investments Limited	(d)	Through a controlled corporation	205,414,000	29.34%	17.34%
8. Dynamic Win Assets Limited	(d)	Directly beneficially owned	205,414,000	29.34%	17.34%
9. Mongolia Energy Corporation Limited	(e)	Through a controlled corporation	84,586,000	12.08%	7.14%
10. New View Venture Limited	(e)	Directly beneficially owned	84,586,000	12.08%	7.14%
11. Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	4.22%

*Notes:*

- (a) Peking University is taken to be interested in 16.88% of the total issued share capital of the Company through the following companies:
  - (i) 85 million Shares (representing approximately 7.17% of the Company's total issued share capital) held by Shenzhen Beida Jade Bird Sci-Tech Co., Ltd. ("SZ Jade Bird"), which is 90% beneficially owned by Beida Jade Bird;
  - (ii) 115 million Shares (representing approximately 9.71% of the Company's total issued share capital) held by Beida Jade Bird itself, which is 46% beneficially owned by JB Software.

Beida Asset Management Co., Ltd. is wholly owned by Peking University.

- (b) The interests of JB Software comprise 200 million Shares held by Beida Jade Bird.
- (c) The interests of Beida Jade Bird comprise 115 million Shares held by it and 85 million Shares held by SZ Jade Bird.
- (d) The Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat.
- (e) The Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (f) Mr. Zhang Wanzhong is the vice president and supervisor of Beida Jade Bird and Ms. Zheng Zhong is a vice president of Beida Jade Bird.

Save as disclosed above, no person, other than the Directors and Supervisors, whose interests are set out in the section "Directors', Supervisors' and chief executives' interests and short positions in shares and underlying shares" above, had registered interests or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO as at 30 June 2015.

## **COMPETING INTERESTS**

As at 30 June 2015, none of the Directors and Supervisors and their respective associates (as defined in the GEM Listing Rules) had interests in a business which competes or may compete with the businesses of the Group, or may have any conflicts of interest with the Group pursuant to the GEM Listing Rules.

## **CORPORATE GOVERNANCE PRACTICES**

The Board is of the view that the Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules during the six months ended 30 June 2015, except for the following deviation:

### **Code Provision A.2.1**

The code provision stipulated that the roles of chairman and president should be separate and should not be performed by the same individual.

Subsequent to the resignation of Mr. Xu Zhendong as an executive Director and the chairman of the Company on 5 May 2015, Mr. Zhang Wanzhong, an executive Director, served both roles as the chairman and the president of the Company until the new appointment of Mr. Ni Jinlei on 30 June 2015. The roles of the chairman and the president of the Company were segregated and performed by Mr. Ni Jinlei and Mr. Zhang Wanzhong respectively with effect from 30 June 2015.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2015.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and required standard of dealings and its code of conduct regarding security transactions by the Directors throughout the six months ended 30 June 2015.

## AUDIT COMMITTEE

The Company has established the audit committee of the Company (the “Audit Committee”) with terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The primary duties of the Audit Committee include monitoring the financial reporting system and internal control procedure of the Group, reviewing financial information and advising the Board on the engagement and independence of external auditors.

The Audit Committee currently comprises four independent non-executive Directors, namely Mr. Shao Jiulin, Mr. Li Juncai, Mr. Lin Yan and Mr. Li Chonghua. Mr. Shao Jiulin is the chairman of the Audit Committee. The Audit Committee had held a meeting to review the Group’s second quarterly results report for the six months ended 30 June 2015 and concluded the meeting with agreement to the contents of the second quarterly results report.

By order of the Board  
**Beijing Beida Jade Bird Universal Sci-Tech Company Limited**  
**Ni Jinlei**  
*Chairman*

Beijing, the PRC, 4 August 2015

*As at the date of this announcement, Mr. Zhang Wanzhong, Ms. Zheng Zhong and Mr. Ip Wing Wai are executive Directors, Mr. Ni Jinlei, Ms. Xue Li and Mr. Zhao Xuedong are non-executive Directors and Mr. Shao Jiulin, Mr. Li Juncai, Mr. Lin Yan and Mr. Li Chonghua are independent non-executive Directors.*

*This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at “www.jbu.com.cn”.*