



北京北大青鳥環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 2017**

### **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 2017 together with the unaudited comparative figures for the corresponding period in 2016 as follows:

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

For the six months ended 30 June 2017

	Note	Three months ended 30 June		Six months ended 30 June	
		2017 RMB'000	2016 RMB'000	2017 RMB'000	2016 RMB'000
<b>Turnover</b>	3	<b>422,535</b>	346,169	<b>643,879</b>	541,799
Cost of sales and services		<u>(224,107)</u>	<u>(180,725)</u>	<u>(342,098)</u>	<u>(286,677)</u>
<b>Gross profit</b>		<b>198,428</b>	165,444	<b>301,781</b>	255,122
Other gains and income	4	<b>928</b>	91,893	<b>3,563</b>	108,134
Distribution costs		<u>(28,144)</u>	<u>(18,791)</u>	<u>(48,733)</u>	<u>(32,485)</u>
Administrative expenses		<u>(34,364)</u>	<u>(27,156)</u>	<u>(62,497)</u>	<u>(53,465)</u>
Other expenses		<u>(26,682)</u>	<u>(26,957)</u>	<u>(39,159)</u>	<u>(36,153)</u>
<b>Profit from operations</b>		<b>110,166</b>	184,433	<b>154,955</b>	241,153
Finance costs	6	<u>(4,296)</u>	<u>(1,592)</u>	<u>(6,427)</u>	<u>(3,294)</u>
Share of (losses)/profits of associates		<u>(3,416)</u>	<u>(1,892)</u>	<u>6,468</u>	<u>(3,143)</u>
Share of losses of joint ventures		<u>(211)</u>	<u>(103)</u>	<u>(380)</u>	<u>(399)</u>
<b>Profit before tax</b>		<b>102,243</b>	180,846	<b>154,616</b>	234,317
Income tax expense	7	<u>(20,204)</u>	<u>(16,076)</u>	<u>(29,104)</u>	<u>(24,132)</u>
<b>Profit for the period</b>	8	<b>82,039</b>	164,770	<b>125,512</b>	210,185
<b>Other comprehensive income after tax:</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		<u>(4,953)</u>	4,429	<u>(10,050)</u>	5,616
Fair value changes of available-for-sale financial assets		<u>(2,173)</u>	1,997	<u>(11,220)</u>	(4,923)
Investment revaluation reserve reclassified to profit or loss on step-acquisition of a subsidiary		–	–	–	(7,260)
Recognition of other reserves		<b>255</b>	–	<b>255</b>	–
Share of other comprehensive income of associates		–	–	–	6,936
Share of other comprehensive income of joint ventures		<u>(3)</u>	<u>(45)</u>	<u>1</u>	<u>(2)</u>

	<i>Note</i>	Three months ended 30 June		Six months ended 30 June	
		2017 <i>RMB'000</i>	2016 <i>RMB'000</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
<b>Other comprehensive income for the period, net of tax</b>		<u>(6,874)</u>	<u>6,381</u>	<u>(21,014)</u>	<u>367</u>
<b>Total comprehensive income for the period</b>		<u><b>75,165</b></u>	<u>171,151</u>	<u><b>104,498</b></u>	<u>210,552</u>
<b>Profit for the period attributable to:</b>					
Owners of the Company		<u>37,862</u>	<u>125,922</u>	<u>64,488</u>	<u>154,411</u>
Non-controlling interests		<u>44,177</u>	<u>38,848</u>	<u>61,024</u>	<u>55,774</u>
		<u><b>82,039</b></u>	<u>164,770</u>	<u><b>125,512</b></u>	<u>210,185</u>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		<u>30,737</u>	<u>132,505</u>	<u>42,778</u>	<u>155,241</u>
Non-controlling interests		<u>44,428</u>	<u>38,646</u>	<u>61,720</u>	<u>55,311</u>
		<u><b>72,165</b></u>	<u>171,151</u>	<u><b>104,498</b></u>	<u>210,552</u>
		<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
<b>Earnings per share</b>					
Basic and diluted (cents per share)	9	<u><b>2.75</b></u>	<u>10.63</u>	<u><b>4.74</b></u>	<u>13.03</u>

## Condensed Consolidated Statement of Financial Position

At 30 June 2017

		<b>30 June</b>	31 December
		<b>2017</b>	2016
		<b>(Unaudited)</b>	(Audited)
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	<i>11</i>	<b>269,645</b>	260,460
Goodwill		<b>17,761</b>	17,761
Other intangible assets		<b>5,815</b>	6,638
Biological assets		<b>1,238</b>	1,267
Investments in associates		<b>720,398</b>	667,042
Investments in joint ventures		<b>279,824</b>	286,923
Available-for-sale financial assets		<b>145,409</b>	157,829
Deposits paid for potential investments		<b>11,287</b>	19,888
Deferred tax assets		<b>13,131</b>	11,272
		<b><u>1,464,508</u></b>	<u>1,429,080</u>
<b>Current assets</b>			
Inventories		<b>221,351</b>	155,436
Trade and other receivables	<i>12</i>	<b>736,233</b>	581,492
Time deposits with original maturity of more than three months when acquired		<b>1,198</b>	1,234
Cash and cash equivalents		<b>479,432</b>	509,341
		<b><u>1,438,214</u></b>	<u>1,247,503</u>
<b>Total assets</b>		<b><u>2,902,722</u></b>	<u>2,676,583</u>

		<b>30 June</b>	31 December
		<b>2017</b>	2016
		<b>(Unaudited)</b>	(Audited)
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	<b>383,286</b>	441,030
Bank loans		<b>241,127</b>	166,356
Current tax liabilities		<b>21,874</b>	44,770
		<u><b>646,287</b></u>	<u>652,156</u>
<b>Net current assets</b>		<u><b>791,927</b></u>	<u>595,347</u>
<b>Total assets less current liabilities</b>		<u><b>2,256,435</b></u>	<u>2,024,427</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u><b>1,616</b></u>	<u>1,616</u>
<b>NET ASSETS</b>		<u><b>2,254,819</b></u>	<u>2,022,811</u>
<b>Capital and reserves</b>			
Share capital	<i>14</i>	<b>137,872</b>	128,176
Reserves		<u><b>1,504,949</b></u>	<u>1,346,461</u>
Equity attributable to owners of the Company		<b>1,642,821</b>	1,474,637
Non-controlling interests		<u><b>611,998</b></u>	<u>548,174</u>
<b>TOTAL EQUITY</b>		<u><b>2,254,819</b></u>	<u>2,022,811</u>

## Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2017

	Attributable to owners of the Company									
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Investment revaluation reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	118,480	377,720	113,798	(55,855)	157,585	12,552	568,249	1,292,529	397,686	1,690,215
Total comprehensive income for the period	-	-	-	6,077	(5,247)	-	154,411	155,241	55,311	210,552
Transfer	-	-	210	-	-	-	(210)	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	24,150	24,150
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	1,991	1,991
Dividend paid and payable to non-controlling interests	-	-	-	-	-	-	-	-	(29,388)	(29,388)
Changes in equity for the period	-	-	210	6,077	(5,247)	-	154,201	155,241	52,064	207,305
Balance at 30 June 2016	<u>118,480</u>	<u>377,720</u>	<u>114,008</u>	<u>(49,778)</u>	<u>152,338</u>	<u>12,552</u>	<u>722,450</u>	<u>1,447,770</u>	<u>449,750</u>	<u>1,897,520</u>
Balance at 1 January 2017	128,176	449,966	133,630	(33,178)	105,717	12,552	677,774	1,474,637	548,174	2,022,811
Issue of shares	9,696	112,553	-	-	-	-	-	122,249	-	122,249
Total comprehensive income for the period	-	-	-	(10,643)	(11,220)	153	64,488	42,778	61,720	104,498
Reclassification	-	-	-	-	-	3,157	-	3,157	2,104	5,261
Changes in equity for the period	<u>9,696</u>	<u>112,553</u>	<u>-</u>	<u>(10,643)</u>	<u>(11,220)</u>	<u>3,310</u>	<u>64,488</u>	<u>168,184</u>	<u>63,824</u>	<u>232,008</u>
Balance at 30 June 2017	<u>137,872</u>	<u>562,519</u>	<u>133,630</u>	<u>(43,821)</u>	<u>94,497</u>	<u>15,862</u>	<u>742,262</u>	<u>1,642,821</u>	<u>611,998</u>	<u>2,254,819</u>

**Condensed Consolidated Statement of Cash Flows (Unaudited)**

*For the six months ended 30 June 2017*

	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Net cash used in operating activities	<b>(143,467)</b>	(53,250)
Net cash used in investing activities	<b>(75,900)</b>	(10,816)
Net cash generated from/(used in) financing activities	<b>191,731</b>	(26,603)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(27,636)</b>	(90,669)
Effect of foreign exchange rate changes	<b>(2,273)</b>	(2,164)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>509,341</b>	313,760
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>479,432</b>	220,927
<b>Analysis of the balances of cash and cash equivalents:</b>		
Cash and bank balances	<b>479,432</b>	220,927
Time deposits	<b>1,198</b>	1,173
	<b>480,630</b>	222,100
Less: Non-pledged time deposits with original maturity of more than three months when acquired	<b>(1,198)</b>	(1,173)
Cash and cash equivalents	<b>479,432</b>	220,927

*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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

These condensed consolidated 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"). These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. The adoption of these new and 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 early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2017. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

The condensed consolidated financial statements are unaudited but have been reviewed by the audit committee of the Company (the "Audit Committee").

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 2016. 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:

	Three months ended 30 June		Six months ended 30 June	
	2017	2016	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Sales and contract works of embedded system products and related products	<b>390,358</b>	315,857	<b>584,896</b>	481,837
Rendering of travel and leisure services	<b>29,284</b>	27,119	<b>53,862</b>	54,839
Sales of wine and related products	<b>2,893</b>	3,193	<b>5,121</b>	5,123
	<b>422,535</b>	346,169	<b>643,879</b>	541,799

### 4. OTHER GAINS AND INCOME

	Three months ended 30 June		Six months ended 30 June	
	2017	2016	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	<b>318</b>	262	<b>700</b>	446
Gain on bargain purchase of a subsidiary	–	–	–	15,209
Gain on bargain purchase of associates	–	89,548	–	89,548
Rental income	–	–	–	2
Others	<b>610</b>	2,083	<b>2,863</b>	2,929
	<b>928</b>	91,893	<b>3,563</b>	108,134

## 5. SEGMENT INFORMATION

The Group determines its operating segments based on its strategic business units that are managed separately by the chief operating decision-maker. Each strategic unit requires different technology, development and marketing strategies.

During the period, the Group had four 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	– 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 consolidated financial statements. Segment profits or losses do not include bank interest income, finance costs and unallocated corporate expenses. Segment assets do not include unallocated corporate assets. Segment non-current assets do not include available-for-sales financial assets and deferred tax assets.

The Group accounts for intersegment sales and transfers as if the sale or transfers were to third parties, i.e. at current market prices.

Information about reportable segment profit or loss:

	<b>Manufacture and sale of electronic fire equipment</b> <i>RMB'000</i>	<b>Tourism development</b> <i>RMB'000</i>	<b>Investment holding</b> <i>RMB'000</i>	<b>All other segments</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Six months ended 30 June 2017</b>					
Revenue from external customers	<u>584,896</u>	<u>53,862</u>	<u>–</u>	<u>5,121</u>	<u>643,879</u>
Segment profit/(loss)	<u>143,338</u>	<u>23,248</u>	<u>2,424</u>	<u>(37)</u>	<u>168,973</u>
Interest income					700
Finance costs					(6,427)
Unallocated corporate expenses					<u>(8,630)</u>
Profit before tax					<u>154,616</u>
<b>Other segment information:</b>					
Depreciation and amortisation expenses	8,775	1,663	20	936	11,394
Share of (losses)/gains of associates	(1,424)	(1,834)	9,726	–	6,468
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(380)</u>	<u>–</u>	<u>(380)</u>
<b>Six months ended 30 June 2016</b>					
Revenue from external customers	<u>481,837</u>	<u>54,839</u>	<u>–</u>	<u>5,123</u>	<u>541,799</u>
Segment profit/(loss)	<u>124,281</u>	<u>21,761</u>	<u>98,491</u>	<u>(980)</u>	<u>243,553</u>
Interest income					446
Finance costs					(3,294)
Unallocated corporate expenses					<u>(6,388)</u>
Profit before tax					<u>234,317</u>
<b>Other segment information:</b>					
Depreciation and amortisation expenses	4,621	1,845	16	878	7,360
Share of losses of associates	(548)	(2,140)	(455)	–	(3,143)
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(399)</u>	<u>–</u>	<u>(399)</u>

Information about reportable segment assets:

	<b>Manufacture and sale of electronic fire equipment</b> <i>RMB'000</i>	<b>Tourism development</b> <i>RMB'000</i>	<b>Investment holding</b> <i>RMB'000</i>	<b>All other segments</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>At 30 June 2017</b>					
Segment assets	<u>1,466,166</u>	<u>279,371</u>	<u>976,223</u>	<u>28,948</u>	<u>2,750,708</u>
Unallocated corporate assets					
Property, plant and equipment					7,448
Cash and cash equivalents					128,966
Others					<u>15,600</u>
					<u>152,014</u>
Total assets					<u>2,902,722</u>
<b>Segment assets including:</b>					
Investments in associates	24,691	196,101	499,606	–	720,398
Investments in joint ventures	–	–	279,824	–	279,824
Additions to non-current assets	<u>23,336</u>	<u>144</u>	<u>34,900</u>	<u>–</u>	<u>58,380</u>
<b>At 31 December 2016</b>					
Segment assets	<u>1,337,270</u>	<u>273,841</u>	<u>933,083</u>	<u>30,692</u>	<u>2,574,886</u>
Unallocated corporate assets					
Property, plant and equipment					7,771
Cash and cash equivalents					81,299
Others					<u>12,627</u>
					<u>101,697</u>
Total assets					<u>2,676,583</u>
<b>Segment assets including:</b>					
Investments in associates	6,627	197,934	462,481	–	667,042
Investments in joint ventures	–	–	286,923	–	286,923
Additions to non-current assets	<u>92,557</u>	<u>3,046</u>	<u>88,415</u>	<u>336</u>	<u>184,354</u>

Geographical information:

	Revenue		Non-current assets	
	Six months ended 30 June 2017 <i>RMB'000</i>	30 June 2016 <i>RMB'000</i>	30 June 2017 <i>RMB'000</i>	31 December 2016 <i>RMB'000</i>
PRC except Hong Kong	<b>638,758</b>	536,676	<b>1,249,216</b>	1,201,930
The United States	<b>5,121</b>	5,123	<b>14,615</b>	15,911
Canada	<b>–</b>	–	<b>42,137</b>	42,138
	<b><u>643,879</u></b>	<u>541,799</u>	<b><u>1,305,968</u></b>	<u>1,259,979</u>

In presenting the geographical information, revenue is based on the locations of the customers.

For the six months ended 30 June 2017 and 2016, 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	
	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Interest on bank and other loans	<b>3,396</b>	3,137	<b>5,664</b>	6,379
Net foreign exchange losses/(gain)	<b>900</b>	(1,545)	<b>763</b>	(3,085)
	<b><u>4,296</u></b>	<u>1,592</u>	<b><u>6,427</u></b>	<u>3,294</u>

## 7. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Current tax – PRC Enterprise Income Tax				
Provision for the period	<b>22,063</b>	17,960	<b>30,963</b>	26,016
Deferred tax	<b>(1,859)</b>	(1,884)	<b>(1,859)</b>	(1,884)
	<b><u>20,204</u></b>	<u>16,076</u>	<b><u>29,104</u></b>	<u>24,132</u>

No provision for Hong Kong Profits Tax is required for the six months ended 30 June 2017 and 2016 since the Group has no assessable profit for the periods.

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.

These 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 three subsidiaries are subject to PRC Enterprise Income Tax (“EIT”) at a rate of 15% effective for three years within 2018.

One subsidiary of the Company had been certified by the relevant PRC authorities as software enterprises. Pursuant to the Income Tax Law in the PRC, the subsidiary is subjected to EIT rate of 12.5% effective for five years ending 31 December 2016.

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% (2016: 25%).

## 8. PROFIT FOR THE PERIOD

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

	Three months ended 30 June		Six months ended 30 June	
	2017 <i>RMB’000</i>	2016 <i>RMB’000</i>	2017 <i>RMB’000</i>	2016 <i>RMB’000</i>
Amortisation of other intangible assets	451	365	818	717
Depreciation	5,429	1,831	10,911	4,564
(Gain)/loss on disposal of property, plant and equipment	<u>(39)</u>	<u>3</u>	<u>(36)</u>	<u>3</u>

## 9. EARNINGS PER SHARE

### Basic and diluted earnings per share

The calculation of basic earnings per share attributable to owners of the Company for the three months ended 30 June 2017 is based on the profit for the period attributable to owners of the Company of RMB37,862,000 (2016: RMB125,922,000) and the weighted average number of ordinary shares of 1,378,720,000 (2016: 1,184,800,000) in issue during the period. No adjustment has been made to the basic profit per share amounts presented for the three months ended 30 June 2017 and 2016. Therefore, the calculation of the diluted earnings per share is the same as basic earnings per share.

The calculation of basic earnings per share attributable to owners of the Company for the six months ended 30 June 2017 is based on the profit for the period attributable to owners of the Company of RMB64,488,000 (2016: RMB154,411,000) and the weighted average number of ordinary shares of 1,359,435,000 (2016: 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 2017 and 2016. Therefore, the calculation of the diluted earnings per share is the same as basic earnings per share.

## 10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2017 (2016: Nil).

## 11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group had additions to property, plant and equipment of approximately RMB20,065,000 and disposed of property, plant and equipment with net book value of approximately RMB289,000.

## 12. TRADE AND OTHER RECEIVABLES

	<b>30 June 2017 RMB'000</b>	31 December 2016 RMB'000
Trade and bills receivables	<b>672,753</b>	546,626
Less: allowance for doubtful debts	<b>(82,208)</b>	(68,677)
	<b>590,545</b>	477,949
Advances to staff	<b>3,100</b>	2,557
Deposits	<b>2,638</b>	2,869
Due from associates	<b>65,782</b>	64,195
Loans and interest receivables	<b>1,000</b>	1,000
Other receivables	<b>42,167</b>	45,346
Less: allowance for doubtful debts	<b>(30,161)</b>	(29,736)
	<b>84,526</b>	86,231
Advances to suppliers	<b>30,240</b>	6,238
Prepayments	<b>29,019</b>	8,425
Gross amount due from customers for contract work	<b>1,903</b>	2,649
	<b>736,233</b>	581,492

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 receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

The ageing analysis of the trade and bills receivables, based on the date on which the significant risks and rewards of ownership of products were 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, is as follows:

	<b>30 June 2017 RMB'000</b>	31 December 2016 RMB'000
0 to 90 days	<b>362,306</b>	322,037
91 to 180 days	<b>70,604</b>	72,075
181 to 365 days	<b>99,039</b>	53,638
Over 365 days	<b>58,596</b>	30,199
	<b><u>590,545</u></b>	<b><u>477,949</u></b>

### 13. TRADE AND OTHER PAYABLES

	<b>30 June 2017 RMB'000</b>	31 December 2016 RMB'000
Trade payables	<b>259,671</b>	263,175
Gross amount due to customers for construction works	<b>691</b>	1,490
Accruals and other payables	<b>94,419</b>	135,040
Due to an associate	<b>595</b>	–
Due to shareholders	<b>596</b>	848
Due to related parties	<b>3,496</b>	3,464
Advance from customers	<b>23,818</b>	37,013
	<b><u>383,286</u></b>	<b><u>441,030</u></b>

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 2017 RMB'000</b>	31 December 2016 RMB'000
0 to 90 days	<b>203,601</b>	219,734
91 to 180 days	<b>33,963</b>	33,025
181 to 365 days	<b>15,114</b>	856
Over 365 days	<b>6,993</b>	9,560
	<b><u>259,671</u></b>	<b><u>263,175</u></b>



## 14. SHARE CAPITAL

	Number of shares			Amount		
	Promoters		Total	Promoters		Total
	shares	H shares		shares	H shares	
'000	'000	'000	RMB'000	RMB'000	RMB'000	
Registered, issued and fully paid:						
Shares of RMB0.10 each						
At 1 January 2017	700,000	581,760	1,281,760	70,000	58,176	128,176
Issued of shares	–	96,960	96,960	–	9,696	9,696
	<u>700,000</u>	<u>678,720</u>	<u>1,378,720</u>	<u>70,000</u>	<u>67,872</u>	<u>137,872</u>
At 30 June 2017	<u>700,000</u>	<u>678,720</u>	<u>1,378,720</u>	<u>70,000</u>	<u>67,872</u>	<u>137,872</u>

On 11 January 2017, the Group entered into a placing agreement with a placing agent to place up to 96,960,000 new H shares at placing price of HK\$1.43 (equivalent to approximately RMB1.27) per share. The transactions have been completed on 6 February 2017 and the premium of the issue of shares amounted to approximately RMB112,553,000, net of share issue expense of approximately RMB890,000, was credited to the Company's share premium account.

## 15. ACQUISITION OF A SUBSIDIARY

During the six months ended 30 June 2016, the Group completed the acquisition of an additional 39% equity interest and voting right in Ningbo Jade Bird Venture Capital Investment Co., Ltd. ("Ningbo Jade Bird VC"), an associate of the Group before the acquisition for a consideration of RMB78,000,000, of which RMB23,400,000 was payable to a connected person of the Company and the remaining RMB54,600,000 will be paid by way of assume the obligation to make capital contribution to Ningbo Jade Bird VC. Immediately after the acquisition, the Group owned a total of 70% equity interest in Ningbo Jade Bird VC, and Ningbo Jade Bird VC became a subsidiary of the Group.

The fair value of the identifiable assets and liabilities of Ningbo Jade Bird VC acquired at its date of acquisition is as follows:

	<i>RMB'000</i>
Investment in an associate	6,500
Available-for-sale financial assets	70,729
Bank and cash balances	11,080
Deferred tax liabilities	<u>(7,808)</u>
Total identified net assets at fair value	80,501
Non-controlling interests	(24,150)
Fair value of investment in an associate, before the acquisition	(24,956)
Investment revaluation reserve reclassified to profit or loss on step-acquisition of a subsidiary	7,214
Gain on bargain purchase recognised in other gains and income	<u>(15,209)</u>
Satisfied by cash	<u>23,400</u>

## 16. 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>2017</b>	2016
	<b>RMB'000</b>	<i>RMB'000</i>
Sales of electronic fire alarm systems and related products to related companies controlled by Peking University	<u>48</u>	<u>11</u>
Rental expenses for office buildings charged by		
– a shareholder of the Company	<b>1,225</b>	1,077
– a non-controlling interest of a subsidiary	<u>508</u>	<u>–</u>
	<b>1,733</b>	1,077
Rental income from an associate	<u>–</u>	<u>110</u>
Loan interest expense paid to a non-controlling interest of a subsidiary	<u>201</u>	<u>203</u>
Purchase of 40% equity interest in an associate from a related company controlled by Peking University	<u>400</u>	<u>–</u>
Purchase of 20% equity interest in an associate from a related company controlled by Peking University	<u>–</u>	<u>50,000</u>
Purchase of 39% equity interest in a subsidiary from a related company controlled by Peking University	<u>–</u>	<u>23,400</u>

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

- (b) Included in the condensed consolidated statement of financial position are the following material balances with related parties:

	<b>30 June 2017 RMB'000</b>	31 December 2016 RMB'000
Trade receivables from related companies controlled by Peking University	<u>41</u>	<u>68</u>
Due from associates	<u>65,782</u>	<u>64,195</u>
Due from a related company controlled by Peking University	<u>27</u>	<u>27</u>
Trade payables to a related company controlled by Peking University	<u>16</u>	<u>16</u>
Due to an associate	<u>595</u>	<u>–</u>
Due to shareholders	<u>596</u>	<u>848</u>
Due to non-controlling interests of subsidiaries	<u>26,761</u>	<u>18,250</u>
Due to related companies controlled by Peking University	<u><b>3,496</b></u>	<u><b>3,464</b></u>

- (c) Compensation of key management personnel of the Group:

	<b>Six months ended 30 June 2017 RMB'000</b>	2016 RMB'000
Short term employee benefits	<u>1,619</u>	<u>930</u>
Post-employment benefits	<u>30</u>	<u>22</u>
	<u><b>1,649</b></u>	<u><b>952</b></u>

## 17. 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 2016: RMB200,000,000). The Group have not recognised any deferred income in respect of the financial guarantee as its fair value was considered insignificant.

## 18. CAPITAL COMMITMENTS

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

	<b>30 June</b>	31 December
	<b>2017</b>	2016
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Contracted but not provided for		
Property, plant and equipment	<b>47,216</b>	20,207
Unpaid balance of capital contribution to associates and joint ventures	<b><u>127,413</u></b>	<u>156,579</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overall performance**

During the period under review, the Group remained focus on the two directions of strengthening its main businesses, including manufacture and sale of electronic fire equipment business, tourism development business and investment holding business, and exploring investment opportunities. For the six months ended 30 June 2017, total turnover of the Group increased to approximately RMB643.9 million (2016: RMB541.8 million), representing an increase of approximately 18.9% when compared with that of 2016. Gross profit margin of the Group was approximately 47% (2016: 47%). As a result of satisfactory performance of the Group and maintaining a stable and competitive gross profit margin, the Group recorded an increase in gross profit by 18.3% to approximately RMB301.8 million (2016: RMB255.1 million). The Group's distribution costs, administrative expenses and other expenses were increased by 23.2% to approximately RMB150.4 million (2016: RMB122.1 million), following to the continued growth of the Group's main businesses during the period. The Group's profit attributable to owners of the Company was decreased by 58.2% to approximately RMB64.5 million for the six months ended 30 June 2017 (2016: RMB154.4 million), despite of a record high turnover high turnover mainly because of the recognition of gain on bargain purchase of a subsidiary and associates included in other gains and income in 2016.

As at 30 June 2017, the Group's current ratio (being ratio of current assets and current liabilities) and the gearing ratio (being measured by total interest-bearing debts to total equity) was 2.23 (31 December 2016: 1.91) and 10.7% (31 December 2016: 8.2%). During the period, the total bank loans were increased for the continuous business expansion. The Group's financial position remain solid.

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

The Group generates revenue from the manufacture and sale of fire safety systems, with its main production facilities located in Hebei, Beijing and Sichuan, the PRC. The Group's main fire safety products, including fire automatic alarm and control linkage system, electrical fire monitoring system, automatic gas fire extinguishing system and gas detection monitoring system, are designed for provision of a comprehensive and integration fire safety solution. The Group mainly distributes its products through dealers across the region in the PRC.

On the back of brand effect and reputation for high quality and performance products, the Group's manufacture and sale of electronic fire equipment business recorded satisfactory growth and turnover increased 21.4% to approximately RMB584.9 million during the period under review (2016: RMB481.8 million). The Group launched fire power monitoring system products during the second quarter of 2017, that further enriched the product solutions of fire automatic alarm and package system under the guidance of the new fire safety standards. The Group concentrated on development of talents by providing in-depth trainings in aspects of research and development, production, sales and after-sales services, which supported the continued growth in the manufacture and sale of electronic fire equipment business.

Reference is made to the announcements of the Company dated 1 February 2013 and 17 November 2014 and the circular of the Company dated 27 February 2013 on the proposed spin-off of Beida Jade Bird Universal Fire Alarm Device Company Limited (“Jade Bird Fire Alarm”), a subsidiary of the Company, and a separate listing of the manufacture and sale of electronic fire equipment business owned and operated by Jade Bird Fire Alarm on The Small and Medium Enterprises Board (the “SME Board”) of the Shenzhen Stock Exchange. On 10 April 2017, the Main Board Issuance Approval Committee (the “Issuance Approval Committee”) of the China Securities Regulatory Commission (“CSRC”) issued the reviewing results announcement of the 51st conference meeting of the Issuance Approval Committee for 2017 on the website of the CSRC and announced that the proposed initial public offering on the SME Board of the Shenzhen Stock Exchange of Jade Bird Fire Alarm was reviewed and passed by the Issuance Approval Committee. Details were disclosed in the announcements of the Company dated 6 April 2017 and 10 April 2017.

### **Tourism development**

The Group is the environmental shuttle bus operator in Hengshan Mountain scenic area, and fare revenue from tourists and pilgrims is the main source of income of the Group’s tourism development business. The Group is also engaged in provision of property management services and operation of tourist souvenir shops in the scenic area. During the period, the Group’s associates continued to take part in the tourism development projects in Hunan Province, including the construction and development of landscape architectures and primary land development of land around the Sonya Lake region at Changsha County, and the development of tourist sight project located at Tianzi Mountain.

Turnover generated from the Group’s tourism development business slightly decreased by 1.6% from approximately RMB54.8 million in 2016 to approximately RMB53.9 million in 2017. Such decrease was mainly attributable to the decrease in visitors to Hengshan and fare adjustment of the environmental shuttle bus service during the period.

## **Investment holding**

As at 30 June 2017, the Group's investment holding business mainly included investments in 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, property development, IT development and solution business, air transport agency and provision of technical consultancy services etc.), 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. During the period, the Group completed acquisition of an asset management company (details of which are set out in the section "Material acquisitions and disposals of subsidiaries and affiliated companies" below), that further expanded the Group's investment holding business. This segment total assets increased from approximately RMB933.1 million as at 31 December 2016 to approximately RMB976.2 million as at 30 June 2017, representing an increase of 4.6%.

## **Outlook**

The Group's manufacture and sale of electronic fire equipment business will continue to emphasize on quality service by strengthening its capacity of research and development and investing in advanced equipment and human resources. The Group will penetrate the market and increase its competitiveness by providing support to the dealers, cooperating with fire safety professional websites in the area of product marketing and promotion, conducting product conferences and exploring overseas markets.

With regard to tourism development business, pilgrims will continue to make up the majority of visitors with a stable turnout. 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.

## Disclosure under Rule 17.24 of the GEM Listing Rules

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. The Guarantee together with the shareholder's loan to Songya Lake Construction exceeded 8% of the Group's total assets value as at 30 June 2017. 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 2017 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	2,813,535	786,664
Liabilities	<u>(2,671,499)</u>	<u>(746,951)</u>
Net assets	<u>142,036</u>	<u>39,713</u>

## Material acquisitions and disposals of subsidiaries and affiliated companies

On 5 November 2014, the Company entered into the equity interest transfer agreement with a then connected person of the Company for acquisition of 40% equity interest in Beijing Shengxin Runcheng Investment Management Co., Ltd. ("Beijing Shengxin Runcheng") at a consideration of RMB400,000. Beijing Shengxin Runcheng is a company incorporated in Beijing, the PRC and its scope of business is asset management. Completion of the transfer took place during the period and Beijing Shengxin Runcheng became an associate of the Group.

Saved as disclosed herein this section, during the six months ended 30 June 2017, 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 2017, the Group's major operations were financed mainly by the internal financial resources, by corporate borrowings and by net proceeds from placing of new H shares of the Company during the period. As at 30 June 2017, the Group had cash and bank balances of approximately RMB480.6 million, which were denominated mainly in Renminbi ("RMB"), Hong Kong dollars ("HK\$"), US dollars ("USD") and Canadian dollars ("CAD").

As at 30 June 2017, the Group had net assets of approximately RMB2,254.8 million. The Group had total outstanding borrowings consisted of secured bank loans of approximately RMB241.1 million. The bank loans were denominated in RMB and USD and bore interest rates ranging from 4.35% per annum to 5.94% per annum.

As at 30 June 2017, the Company's outstanding number of issued promoters shares and H shares of RMB0.10 each were 700,000,000 shares and 678,720,000 shares respectively.

On 11 January 2017, the Company and a third party placing agent entered into a placing agreement, whereby the Company has conditionally agreed to place, through the placing agent, on a best effort basis, of up to 96,960,000 placing H shares to not less than six but not exceeding ten independent placees at the placing price of HK\$1.43 (equivalent to approximately RMB1.27) per placing H share (representing a discount of approximately 17.8% to the closing price of HK\$1.74 (equivalent to approximately RMB1.55) per H share on 11 January 2017). The placing was completed on 6 February 2017 raising net proceeds of approximately HK\$137.9 million (equivalent to approximately RMB122.1 million) (representing a net placing price of approximately HK\$1.42 (equivalent to approximately RMB1.26) per placing H share). The Directors intended that approximately 70% of net proceeds from the placing would be applied to potential acquisitions and/or development of new businesses; and approximately 30% of the net proceeds from the placing would be applied as working capital of the Group. As a result of the placing, on 6 February 2017, the total number of issued H shares of the Company was increased from 581,760,000 H shares to 678,720,000 H shares, and the total number of issued shares of the Company (including both the H shares and the promoters shares) was increased from 1,281,760,000 shares to 1,378,720,000 shares. Details of the above were disclosed in the announcements of the Company dated 11 January 2017 and 6 February 2017. As at 30 June 2017, approximately RMB34.9 million was applied to capital contribution to associate and prepayments for investments, and the remaining balance was deposited in bank. In respect of the net proceeds of the placing completed on 11 July 2016, approximately RMB58.4 million was used for acquisition of equity interests in associate and subsidiary, capital contribution to associate and prepayments for investments; approximately RMB6.5 million was applied as working capital of the Group; and the remaining balance was deposited in bank as at 30 June 2017.

The gearing ratio of the Group as at 30 June 2017, which is measured by total interest-bearing debts to total equity, was 10.7% (31 December 2016: 8.2%). Such increase was as a result of increase in total interest-bearing debts for the continuous business expansion during the period.

### **Significant investments held**

As at 30 June 2017, the Group held available-for-sale financial assets of approximately RMB145.4 million, representing 5.0% of the total assets of the Group, which mainly comprised of:

- (i) 18.7% equity interest in Enraytek Optoelectronics (Shanghai) Co., Ltd. (“Enraytek Optoelectronics”) with investment cost of approximately RMB113.5 million at fair value of approximately RMB110.7 million, representing 3.8% of the total assets of the Group as at 30 June 2017. Enraytek Optoelectronics is an unlisted private enterprise established in the PRC and is principally engaged in LED and related industrial chain design, development and manufacturing. There is no significant change in fair value for the period; and
- (ii) 3,916,340 ordinary shares of Semiconductor Manufacturing International Corporation (“SMIC”) with investment cost of approximately RMB31.2 million at fair value of approximately RMB30.8 million, representing 1.1% of the total assets of the Group as at 30 June 2017. SMIC is a Hong Kong listed company with stock code 00981 and is principally engaged in the manufacture and trading of semiconductor products. There is a decrease in fair value of approximately RMB10.8 million included in other comprehensive income for the period.

The Group considered the optimistic future prospect of LED and semiconductor industries and expected that the Group’s investments will be benefited in the long run. In addition, the Group will continue exploring investment opportunities to diversify investment business portfolio as well as broaden its income source.

### **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 2017.

## **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 2017.

## **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 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 2017, the Group's certain fixed assets with carrying amount of approximately RMB130.2 million (31 December 2016: RMB72.7 million) were pledged as securities for the Group's bank loans.

## **Employees and remuneration policy**

The Group considers people as the valuable assets. The Group had stable workforce of 2,287 people at the end of the reporting period, up 1.4% since the end of 2016. 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. The Group emphasize on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs were free to set up trade union according to applicable laws while the supervisory committee of the Company had representative from the workforce.

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 RMB100.3 million for the six months ended 30 June 2017 (2016: RMB79.3 million).

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

As at 30 June 2017, 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

Name	Capacity	Number of ordinary Shares			Approximate percentage of the Company's total number of issued promoters Shares	Approximate percentage of the Company's total number of issued H Shares	Approximate percentage of the Company's total issued share capital
		Interests in Shares (Note)	Interests in H Shares	Total			
Director							
Mr. Zhang Wanzhong	Beneficial owner and beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	14.90%
Supervisor							
Ms. Zhou Min	Beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	14.90%

#### 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. (“Jade Bird 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 2017.

### **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 2017, 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%	14.50%
2. Beida Asset Management Co., Ltd.	(a)	Through controlled corporations	200,000,000	28.57%	14.50%
3. Beijing Beida Jade Bird Software System Co., Ltd.	(a)	Through controlled corporations	200,000,000	28.57%	14.50%
4. Beijing Beida Jade Bird Limited	(a)	Directly beneficially owned	115,000,000	16.43%	8.34%
5. Beida Microelectronics Investment Limited	(a)	Through controlled corporations	85,000,000	12.14%	6.16%
6. Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd	(a)	Through a controlled corporation	85,000,000	12.14%	6.16%
7. Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd	(a)	Directly beneficially owned	85,000,000	12.14%	6.16%
8. Grand East (H.K.) Limited		Directly beneficially owned	110,000,000	15.71%	7.98%
9. Heng Huat Investments Limited	(b)	Through a controlled corporation	205,414,000	29.34%	14.90%

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
10. Dynamic Win Assets Limited	(b)	Directly beneficially owned	205,414,000	29.34%	14.90%
11. Mongolia Energy Corporation Limited	(c)	Through a controlled corporation	84,586,000	12.08%	6.13%
12. New View Venture Limited	(c)	Directly beneficially owned	84,586,000	12.08%	6.13%
13. Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	3.63%

*Notes:*

- (a) Peking University is taken to be interested in 14.50% of the total issued share capital of the Company through the following companies:
- (i) 115 million promoters Shares (representing approximately 8.34% of the Company's total issued share capital) held by Beida Jade Bird, which is 46% beneficially owned by Jade Bird Software. Jade Bird Software is 48% beneficially owned by Beida Asset Management Co., Ltd., a wholly owned subsidiary of Peking University;
  - (ii) 85 million promoters Shares (representing approximately 6.16% of the Company's total issued share capital) in which Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd. ("Haikou Jade Bird") is interested. Jade Bird Software owns 100% equity interest in Beida Microelectronics Investment Limited which in turn owns 46% equity interest in Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd which in turn owns 100% equity interest in Haikou Jade Bird; and
  - (iii) Mr. Zhang Wanzhong is a supervisor of Beida Jade Bird.
- (b) The promoters Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat. Please refer to the note to the section "Directors, Supervisors' and chief executives' interests and short positions in shares and underlying shares" above for further details of Heng Huat.
- (c) The promoters Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.

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 2017.

## **COMPETING INTERESTS**

As at 30 June 2017, 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 2017.

## **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 2017.

## **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 2017.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The Audit Committee is accountable to the Board. Its primary duties include monitoring the financial reporting system and risk management and internal control systems 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 2017 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, 8 August 2017

*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. Xiang Lei 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”.*