



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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

CHARACTERISTICS OF THE GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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.

THIRD 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 nine months ended 30 September 2018 together with the unaudited comparative figures for the corresponding period in 2017 as follows:

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

For the nine months ended 30 September 2018

		Three months ended 30 September		Nine months ended 30 September	
		2018	2017	2018	2017
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	3	576,483	505,995	1,349,334	1,149,874
Cost of sales and services		<u>(315,889)</u>	<u>(261,463)</u>	<u>(735,791)</u>	<u>(603,561)</u>
Gross profit		260,594	244,532	613,543	546,313
Other gains and income	4	7,496	21,728	17,015	25,291
Distribution costs		<u>(33,584)</u>	<u>(27,378)</u>	<u>(92,961)</u>	<u>(76,111)</u>
Administrative expenses		<u>(32,077)</u>	<u>(28,581)</u>	<u>(90,462)</u>	<u>(91,078)</u>
Other expenses		<u>(36,805)</u>	<u>(24,479)</u>	<u>(98,330)</u>	<u>(63,638)</u>
Profit from operations		165,624	185,822	348,805	340,777
Finance costs	5	791	(4,394)	(6,948)	(10,821)
Share of (losses)/profits of associates		<u>(3,845)</u>	<u>(3,448)</u>	<u>41,852</u>	3,020
Share of losses of joint ventures		<u>(374)</u>	<u>(140)</u>	<u>(672)</u>	<u>(520)</u>
Profit before tax		162,196	177,840	383,037	332,456
Income tax expense	6	<u>(29,267)</u>	<u>(30,472)</u>	<u>(63,080)</u>	<u>(59,576)</u>
Profit for the period		132,929	147,368	319,957	272,880
Other comprehensive income after tax:					
<i>Items that may be reclassified to profit or loss:</i>					
Changes in fair value of available-for-sale financial assets		(5,991)	(301)	(17,558)	(11,521)
Exchange differences on translating foreign operations		25,548	(6,031)	28,168	(16,081)
Recognition of other reserves		–	597	–	852
Share of other comprehensive income of joint ventures		<u>(2,026)</u>	<u>(11)</u>	<u>(2,014)</u>	<u>(10)</u>

	<i>Note</i>	Three months ended 30 September 2018		Nine months ended 30 September 2018	
		<i>RMB'000</i>	2017 <i>RMB'000</i>	<i>RMB'000</i>	2017 <i>RMB'000</i>
Other comprehensive income for the period, net of tax		<u>17,531</u>	<u>(5,746)</u>	<u>8,596</u>	<u>(26,760)</u>
Total comprehensive income for the period		<u>150,460</u>	<u>141,622</u>	<u>328,553</u>	<u>246,120</u>
Profit for the period attributable to:					
Owners of the Company		67,391	73,131	186,665	137,619
Non-controlling interests		<u>65,538</u>	<u>74,237</u>	<u>133,292</u>	<u>135,261</u>
		<u>132,929</u>	<u>147,368</u>	<u>319,957</u>	<u>272,880</u>
Total comprehensive income for the period attributable to:					
Owners of the Company		81,239	66,618	192,299	109,396
Non-controlling interests		<u>69,221</u>	<u>75,004</u>	<u>136,254</u>	<u>136,724</u>
		<u>150,460</u>	<u>141,622</u>	<u>328,553</u>	<u>246,120</u>
		<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Earnings per share					
Basic and diluted (cents per share)	7	<u>4.89</u>	<u>5.30</u>	<u>13.54</u>	<u>10.08</u>

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended 30 September 2018

	Attributable to owners of the Company									
				Foreign	Investment				Non-	
	Share	Capital	Reserve	currency	revaluation	Other	Retained		controlling	Total
	capital	reserve	funds	translation	reserve	reserves	profits	Total	interests	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 2017	128,176	449,966	133,630	(33,178)	105,717	12,552	677,774	1,474,637	548,174	2,022,811
Total comprehensive income for the period	–	–	–	(17,213)	(11,521)	511	137,619	109,396	136,724	246,120
Issue of shares	9,696	112,553	–	–	–	–	–	122,249	–	122,249
Reclassification	–	–	–	–	–	3,157	–	3,157	2,104	5,261
Changes in equity for the period	9,696	112,553	–	(17,213)	(11,521)	3,668	137,619	234,802	138,828	373,630
Balance at 30 September 2017	137,872	562,519	133,630	(50,391)	94,196	16,220	815,393	1,709,439	687,002	2,396,441
Balance at 1 January 2018	137,872	562,519	149,610	(59,266)	132,592	16,295	828,719	1,768,341	719,907	2,488,248
Total comprehensive income for the period	–	–	–	25,207	(19,573)	–	186,665	192,299	136,254	328,553
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	1,221	1,221
Appropriation of safety production fund	–	–	–	–	–	(81)	81	–	–	–
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	5,065	5,065
Share of transfer of reserves of joint ventures	–	–	–	–	3,152	–	(3,152)	–	–	–
Transfer of gain on disposal of available-for-sale financial assets at fair value through other comprehensive income to retained profits	–	–	–	–	(1,287)	–	1,287	–	–	–
Changes in equity for the period	–	–	–	25,207	(17,708)	(81)	184,881	192,299	142,540	334,839
Balance at 30 September 2018	137,872	562,519	149,610	(34,059)	114,884	16,214	1,013,600	1,960,640	862,447	2,823,087

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 all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. 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 HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. 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 2018. 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 third 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 2017. 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 September		Nine months ended 30 September	
	2018	2017	2018	2017
	<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	523,334	451,578	1,227,953	1,036,474
Rendering of travel and leisure services	46,642	50,879	110,418	104,741
Sales of wine and related products	2,889	3,538	7,345	8,659
Management fee income	3,618	—	3,618	—
	<u>576,483</u>	<u>505,995</u>	<u>1,349,334</u>	<u>1,149,874</u>

4. OTHER GAINS AND INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	600	324	1,459	1,024
Government grants	2,294	18,615	4,228	19,117
Reversal of allowance for doubtful other receivables	(62)	—	506	—
Others	4,664	2,789	10,822	5,150
	<u>7,496</u>	<u>21,728</u>	<u>17,015</u>	<u>25,291</u>

5. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other loans	2,962	3,013	8,330	8,677
Net foreign exchange (gain)/loss	(3,753)	1,381	(1,382)	2,144
	(791)	4,394	6,948	10,821

6. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax				
Provision for the period				
PRC	31,234	31,816	68,391	62,779
The United States	1	–	9	–
	31,235	31,816	68,400	62,779
Deferred tax	(1,968)	(1,344)	(5,320)	(3,203)
	29,267	30,472	63,080	59,579

No provision for Hong Kong Profits Tax is required for the nine months ended 30 September 2018 and 2017 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 at a rate of 15% effective for three years within 2019.

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% (2017: 25%).

7. 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 September 2018 is based on the profit for the period attributable to owners of the Company of RMB67,391,000 (2017: RMB73,131,000) and the weighted average number of ordinary shares of 1,378,720,000 (2017: 1,378,720,000) in issue during the period. No adjustment has been made to the basic profit per share amounts presented for the three months ended 30 September 2018 and 2017. 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 nine months ended 30 September 2018 is based on the profit for the period attributable to owners of the Company of RMB186,665,000 (2017: RMB137,619,000) and the weighted average number of ordinary shares of 1,378,720,000 (2017: 1,365,934,066) in issue during the period. No adjustment has been made to the basic profit per share amounts presented for the nine months ended 30 September 2018 and 2017. Therefore, the calculation of the diluted earnings per share is the same as basic earnings per share.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2018 (2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

The Company, through its subsidiaries, is principally engaged in research, development, manufacture, marketing, contract work and sale of electronic fire equipment, development of travel and leisure businesses as well as investment holding.

During the period under review, the Group continued to strengthen the performance of its manufacture and sale of electronic fire equipment and tourism development segments, while maintaining a diversified investment portfolio for its investment holding segment, and the Group recorded a turnover of approximately RMB1,349.3 million, representing an increase of 17.3% as compared with approximately RMB1,149.9 million in the same period last year. Gross profit rose 12.3% year-on-year to approximately RMB613.5 million (2017: RMB546.3 million), as a result of the increase in turnover and maintaining a stable gross profit ratio of 45% (2017: 48%). During the period under review, the Group reported a comparatively higher cost of sales, in particular the cost of materials, and a lower gross profit ratio comparing with the same period last year. The Group's total operating expenses, including distribution costs, administrative expenses and other expenses, were increased by 22.1% to approximately RMB281.8 million (2017: RMB230.8 million), following to the continued growth of the Group's main businesses, in particular the increase in distribution costs in line with better sales performance and the increase in research and development costs to maintain the Group's competitiveness and advantages. During the reporting period, the Group's associate recognized income from its property development project in the PRC, which led to the increase in the Group's share of profits of associates to approximately RMB41.9 million (2017: RMB3.0 million). Together with continuing satisfactory performance of the Group's core businesses and increase in share of profits of associates, profit attributable to owners of the Company increased 35.7% year-on-year to approximately RMB186.7 million (2017: RMB137.6 million).

Manufacture and sale of electronic fire equipment

The Group focused on research, development, manufacture, marketing and sale of comprehensive and integrated fire safety solution, including fire automatic alarm and control linkage system, electrical fire monitoring system, automatic gas fire extinguishing system and gas detection monitoring system. The Group mainly distributes its fire safety products through dealers across the region in the PRC. Its headquarter is located in Beijing with main production facilities in Hebei, Beijing and Sichuan, the PRC.

During the period, the Group was honored with several industry-recognised awards, including “Top 10 Alarm Brand in the Fire Protection Industry in 2018”, and the Group’s R&D center in Hebei obtained the certificate of provincial technology center issued by Hebei Province Technology Center. The Group’s new series of fire safety products, including wireless product, explosion-proof smoke detector and stand-alone smoke detector, were officially sent for inspection and certification, which would further enrich the Group’s product portfolio.

Turnover from manufacture and sale of electronic fire equipment of approximately RMB1,228.0 million was recorded for the nine months ended 30 September 2018 (2017: RMB1,036.5 million), which was increased by 18.5% year-on-year. The continuous growth in the manufacture and sale of electronic fire equipment business was mainly due to brand loyalty and advantages and industry recognition of the Group’s fire safety solutions with excellent quality and after-sales services, and additions of new production lines and advanced equipment enabling the Group’s production capacity. The production output and sales volume of the electrical fire products and monitoring system products have been increased as a result of great improvement in the function of the products and the upward trend of market demand.

Tourism development

The Group is the environmental shuttle bus operator in Hengshan Mountain scenic area, the PRC. The Group is also engaged in provision of property management services and operation of tourist service center and tourist souvenir shops in the scenic area. The Group’s associates took part in several 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.

Fare revenue from tourists and pilgrims was the main source of income of the Group’s tourism development business, and the Group’s performance continued to be benefited from stable arrivals visiting Hengshan Mountain scenic area. During the period under review, the number of visitors at Hengshan Mountain scenic area taking the environmental bus with full-priced ticket recorded stable growth of 11.2% year-on-year to approximately 1.6 million, while the service utilisation rate of the Group’s environmental bus service achieved at higher level of 92%.

The Group’s tourism development business recorded steady turnover of RMB110.4 million during the nine months ended 30 September 2018 (2017: RMB104.7 million), representing an increase of 5.4% year-on-year. Such increase was mainly attributable to the increase in number of passengers during the period.

Investment holding

As at 30 September 2018, 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, manufacturing and sale of light-emitting diode related products, property development, IT development and solution business, air transport agency, provision of technical consultancy services and semiconductor industry chain projects etc.), the equity interests in listed companies in Hong Kong, the equity interest in a private enterprise in the PRC which is principally engaged in manufacture and sale of light-emitting diode related products, and co-production of films and television dramas in the PRC. During the period, the Group did not effect any material additional investments.

Outlook

Looking ahead, the Group's manufacture and sale of electronic fire equipment business will primarily focus on increasing support to the dealers through active visits and cooperation and strengthening marketing and promotion. The Group will also give priority to technical innovation and training for R&D talents and invest in production equipment with high technology in order to meet the repaid development of R&D needs and development of new generation of fire alarm controller system. Having obtained international certifications for fire safety products, the Group will expand our market in the North America and will start planning to explore the European market.

The number of tourists and pilgrims is expected to stable during the major religious festival and the National Day Golden Week in the fourth quarter. The Group's tourism development business will continue to be benefited from the booming tourism industry of the PRC.

The Group targets to diversify its business and investment portfolio in order to achieve continuous business growth. The Group will continue to seek new promising investment opportunities in the market to broaden its income sources and increase profitability.

USE OF PROCEEDS FROM PLACINGS UNDER GENERAL MANDATE

In respect of the placing completed on 11 July 2016, approximately 90% of the net proceeds from the placing would be applied to explore acquisition opportunities and development of new businesses; and approximately 10% of the net proceeds from the placing would be used to repay existing indebtedness and supplement working capital of the Group. Details of the above was disclosed in the announcements of the Company dated 17 June 2016, 11 July 2016 and 1 December 2017. As at 30 September 2018, approximately RMB74.5 million was used for acquisition of equity interests in associate and subsidiary, capital contribution to associate and payments for investments; approximately RMB8.2 million was applied as working capital of the Group. All the net proceeds from the placing have been fully utilised.

In respect of the placing completed on 6 February 2017 and following the change of use of proceeds on 29 March 2018, approximately 88% of net proceeds from the placing would be applied to potential acquisitions and/or development of new businesses; and approximately 12% of the net proceeds from the placing would be applied as working capital of the Group. Details of the above were disclosed in the announcements of the Company dated 11 January 2017, 6 February 2017, 1 December 2017 and 29 March 2018. As at 30 September 2018, approximately RMB96.0 million was applied to capital contribution to associates and investment of the Company and payments for investments of the Group; approximately RMB8.7 million was applied as working capital of the Group; and the remaining balance of approximately HK\$15.1 million (equivalent to approximately RMB13.3 million) was deposited in bank.

DISCLOSURE UNDER RULE 17.24 OF THE GEM LISTING RULES

As at 30 September 2018, the aggregate amount of financial assistance provided by the Group to its affiliated companies, including (i) shareholder's loan provided to an affiliated company; and (ii) guarantees provided by the Group in relation to bank facilities of its affiliated companies is RMB536,400,000 in total, which exceeds 8% in the asset ratio as defined under Rules 19.07(1) of the GEM Listing Rules. Details on the financial assistance and guarantee as at 30 September 2018 are set out below:

Name of affiliated company	Aggregate amount of financial assistance and guarantee RMB'000
Changsha Songya Lake Construction Investment Co., Ltd. ("Songya Lake Construction")	346,400 <i>(note 1)</i>
Chuanqi (Hunan) Enterprise Development Co., Ltd. ("Chuanqi Enterprise")	190,000 <i>(note 2)</i>
	<hr/>
	536,400

Notes:

1. The amount includes (i) a guarantee of RMB200,000,000 to Bank A and Bank B by the Company; (ii) a guarantee of RMB113,000,000 to Bank C by Chuanqi Tourism Investment Co., Ltd. ("Chuanqi Tourism"), a non-wholly owned subsidiary of the Company; and (iii) an interest-free and unsecured shareholder's loan of RMB33,400,000 from Chuanqi Tourism to Songya Lake Construction. The total amount of the facilities from Bank A and Bank B to Songya Lake Construction is RMB786,000,000 and the total amount of the facilities from Bank C to Songya Lake Construction is RMB800,000,000.
2. The amount includes a guarantee of RMB190,000,000 to a bank by Chuanqi Tourism. The total amount of the facilities from the bank to Chuanqi Enterprise is RMB190,000,000.

The unaudited combined statement of financial position of the above affiliated companies and the Group's attributable interests in the above affiliated companies based on its unaudited consolidated financial statements for the period ended 30 September 2018 prepared in accordance with the generally accepted accounting principles in the PRC, adjusted for any differences in accounting policies, are presented below:

	Combined statement of financial position <i>RMB'000</i>	Group's attributable interests <i>RMB'000</i>
Assets	3,136,502	882,907
Liabilities	<u>(2,760,084)</u>	<u>(774,293)</u>
Net assets	<u>376,418</u>	<u>108,614</u>

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

As at 30 September 2018, 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 September 2018.

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 September 2018, 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%

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
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%
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 September 2018.

COMPETING INTERESTS

As at 30 September 2018, 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.

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 nine months ended 30 September 2018.

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. Li Chonghua and Mr. Shen Wei. Mr. Shao Jiulin is the chairman of the Audit Committee. The Audit Committee had held a meeting to review the Group's third quarterly results report for the nine months ended 30 September 2018 and concluded the meeting with agreement to the contents of the third quarterly results report.

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

Beijing, the PRC, 7 November 2018

As at the date of this announcement, Mr. Ni Jinlei, Mr. Zhang Wanzhong and Ms. Zheng Zhong are executive Directors, Ms. Xue Li, Mr. Xiang Lei and Mr. Ip Wing Wai are non-executive Directors and Mr. Shao Jiulin, Mr. Li Juncai, Mr. Li Chonghua and Mr. Shen Wei 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".