



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 2019

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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 2019 together with the unaudited comparative figures for the corresponding period in 2018 as follows:

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

For the six months ended 30 June 2019

	Note	Three months ended 30 June		Six months ended 30 June	
		2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Revenue	3	580,862	498,406	973,049	772,851
Cost of sales and services		<u>(350,111)</u>	<u>(275,237)</u>	<u>(574,889)</u>	<u>(419,902)</u>
Gross profit		230,751	223,169	398,160	352,949
Other gains and income	4	5,088	5,358	8,776	9,519
Impairment loss on trade and other receivables, net		<u>(16,977)</u>	<u>(17,392)</u>	<u>(25,283)</u>	<u>(23,495)</u>
Distribution costs		<u>(44,481)</u>	<u>(32,652)</u>	<u>(78,834)</u>	<u>(59,377)</u>
Administrative expenses		<u>(33,610)</u>	<u>(31,431)</u>	<u>(67,069)</u>	<u>(58,385)</u>
Other expenses		<u>(28,243)</u>	<u>(19,240)</u>	<u>(53,339)</u>	<u>(38,030)</u>
Profit from operations		112,528	127,812	182,411	183,181
Finance costs	6	<u>(3,912)</u>	165	<u>(6,905)</u>	<u>(7,739)</u>
Share of (losses)/profits of associates		<u>(2,603)</u>	51,020	<u>(7,323)</u>	45,697
Share of losses of joint ventures		<u>(182)</u>	<u>(133)</u>	<u>(775)</u>	<u>(298)</u>
Profit before tax		105,831	178,864	167,408	220,841
Income tax expense	7	<u>(19,509)</u>	<u>(22,767)</u>	<u>(33,745)</u>	<u>(33,813)</u>
Profit for the period	8	86,322	156,097	133,663	187,028
Other comprehensive income after tax: <i>Items that will not be reclassified to profit or loss:</i>					
Fair value changes of financial assets at fair value through other comprehensive income ("FVTOCI")		1,771	(933)	4,056	(11,567)
Share of other comprehensive income of joint ventures		<u>53</u>	<u>–</u>	<u>22</u>	<u>12</u>
		1,824	(933)	4,078	(11,555)

	<i>Note</i>	Three months ended		Six months ended	
		30 June		30 June	
		2019	2018	2019	2018
		RMB'000	<i>RMB'000</i>	RMB'000	<i>RMB'000</i>
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		<u>17,979</u>	<u>21,662</u>	<u>7,610</u>	<u>2,620</u>
		<u>17,979</u>	<u>21,662</u>	<u>7,610</u>	<u>2,620</u>
Other comprehensive income for the period, net of tax		<u>19,803</u>	<u>20,729</u>	<u>11,688</u>	<u>(8,935)</u>
Total comprehensive income for the period		<u>106,125</u>	<u>176,826</u>	<u>145,351</u>	<u>178,093</u>
Profit for the period attributable to:					
Owners of the Company		<u>41,535</u>	<u>104,164</u>	<u>64,350</u>	<u>119,274</u>
Non-controlling interests		<u>44,787</u>	<u>51,933</u>	<u>69,313</u>	<u>67,754</u>
		<u>86,322</u>	<u>156,097</u>	<u>133,663</u>	<u>187,028</u>
Total comprehensive income for the period attributable to:					
Owners of the Company		<u>52,965</u>	<u>124,278</u>	<u>71,426</u>	<u>111,060</u>
Non-controlling interests		<u>53,160</u>	<u>52,548</u>	<u>73,925</u>	<u>67,033</u>
		<u>106,125</u>	<u>176,826</u>	<u>145,351</u>	<u>178,093</u>
		<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Earnings per share					
Basic and diluted (cents per share)	9	<u>3.01</u>	<u>7.56</u>	<u>4.67</u>	<u>8.65</u>

Condensed Consolidated Statement of Financial Position

At 30 June 2019

		30 June	31 December
		2019	2018
		(Unaudited)	(Audited)
	<i>Note</i>	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	<i>11</i>	388,657	315,628
Goodwill		31,342	19,847
Other intangible assets		8,045	4,972
Biological assets		1,060	1,058
Investments in associates		645,675	667,627
Investments in joint ventures		253,037	253,392
Investments in film productions		9,868	10,292
Financial assets at FVTOCI		132,502	135,244
Deposits for potential investments		8,000	8,000
Deposits for purchase of property, plant and equipment		7,491	3,203
Deferred tax assets		20,423	16,925
		1,506,100	1,436,188
Current assets			
Inventories		315,456	238,107
Trade and other receivables	<i>12</i>	1,416,874	1,103,752
Time deposit with original maturity of more than three months when acquired		–	1,221
Pledged bank deposits		–	5,000
Cash and cash equivalents		515,328	684,448
		2,247,658	2,032,528
Total assets		3,753,758	3,468,716

		30 June	31 December
		2019	2018
		(Unaudited)	(Audited)
	<i>Note</i>	RMB'000	RMB'000
Current liabilities			
Trade and other payables	13	530,580	563,165
Bank loans		320,893	225,683
Current tax liabilities		25,781	27,651
Lease liabilities		2,539	–
		<u>879,793</u>	<u>816,499</u>
Net current assets		<u>1,367,865</u>	<u>1,216,029</u>
Total assets less current liabilities		<u>2,873,965</u>	<u>2,652,217</u>
Non-current liabilities			
Deferred tax liabilities		2,535	1,802
Lease liabilities		66,261	–
		<u>68,796</u>	<u>1,802</u>
NET ASSETS		<u>2,805,169</u>	<u>2,650,415</u>
Capital and reserves			
Share capital	14	137,872	137,872
Reserves		1,684,157	1,612,363
Equity attributable to owners of the Company		1,822,029	1,750,235
Non-controlling interests		983,140	900,180
TOTAL EQUITY		<u>2,805,169</u>	<u>2,650,415</u>

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2019

	Attributable to owners of the Company									
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Financial assets at FVTOCI 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 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	-	-	-	3,353	(11,567)	-	119,274	111,060	67,033	178,093
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	875	875
Appropriation of safety production fund	-	-	-	-	-	(155)	155	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	3,373	3,373
Changes in equity for the period	-	-	-	3,353	(11,567)	(155)	119,429	111,060	71,281	182,341
Balance at 30 June 2018	<u>137,872</u>	<u>562,519</u>	<u>149,610</u>	<u>(55,913)</u>	<u>121,025</u>	<u>16,140</u>	<u>948,148</u>	<u>1,879,401</u>	<u>791,188</u>	<u>2,670,589</u>
Balance at 1 January 2019	137,872	562,519	152,577	(44,090)	(45,827)	16,384	970,800	1,750,235	900,180	2,650,415
Total comprehensive income for the period	-	-	-	3,020	4,056	-	64,350	71,426	73,925	145,351
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	7,752	7,752
Appropriation of safety production fund	-	-	-	-	-	(139)	139	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	368	368	1,283	1,651
Transfer of gain on disposal of financial assets at FVTOCI	-	-	-	-	(3,820)	-	3,820	-	-	-
Changes in equity for the period	-	-	-	3,020	236	(139)	68,677	71,794	82,960	154,754
Balance at 30 June 2019	<u>137,872</u>	<u>562,519</u>	<u>152,577</u>	<u>(41,070)</u>	<u>(45,591)</u>	<u>16,245</u>	<u>1,039,477</u>	<u>1,822,029</u>	<u>983,140</u>	<u>2,805,169</u>

Condensed Consolidated Statement of Cash Flows (Unaudited)*For the six months ended 30 June 2019*

	Six months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(263,551)	(126,256)
Net cash used in investing activities	(8,750)	(57,834)
Net cash generated from financing activities	98,540	21,204
NET DECREASE IN CASH AND CASH EQUIVALENTS	(173,761)	(162,886)
Effect of foreign exchange rate changes	4,641	984
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	684,448	658,235
CASH AND CASH EQUIVALENTS AT END OF PERIOD	515,328	496,333
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	515,328	496,333
Time deposits	–	1,172
	515,328	497,505
Less: Non-pledged time deposits with original maturity of more than three months when acquired	–	(1,172)
Cash and cash equivalents	515,328	496,333

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 6th Floor, Bank of China Building, 2A Des Voeux Road Central, 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 (the "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 2019. Except for HKFRS 16 Leases mentioned below, 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.

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

The Group has applied the simplified transition approach and did not restate comparative amounts for the year prior to first adoption.

The standard affects primarily the accounting for the Group's operating leases. The Group's office and operating premises leases were previously classified as operating leases and the lease payments (net of any incentives received from the lessor) were recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group recognises and measures a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset are recognised in profit or loss. The Group's assets and liabilities increase and the timing of expense recognition is also be impacted as a result.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 is not material.

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 2019. 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").

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 2018, except for the new and revised HKFRSs issued by HKICPA which have become effective in this period. These condensed consolidated financial statements should be read in conjunction with these mentioned audited financial statements.

3. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the period is as follows:

	Three months ended		Six months ended	
	30 June		30 June	
	2019	2018	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15				
Disaggregated by major products or service lines				
– Sales and contract works of embedded system products and related products	545,722	463,087	908,265	704,619
– Rendering of travel and leisure services	32,153	32,685	59,836	63,776
– Sales of wine and related products	2,987	2,634	4,948	4,456
	<u>580,862</u>	<u>498,406</u>	<u>973,049</u>	<u>772,851</u>

The Group derives all revenue from the transfer of goods and services at a point in time.

4. OTHER GAINS AND INCOME

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Bank interest income	831	383	1,536	859
Government grants	45	654	45	1,934
Reversal of allowance for doubtful other receivables	–	568	–	568
Others	4,212	3,753	7,195	6,158
	<u>5,088</u>	<u>5,358</u>	<u>8,776</u>	<u>9,519</u>

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 interest income, unallocated other gains and income, finance costs and unallocated corporate expenses. Segment assets do not include unallocated corporate assets. Segment non-current assets do not include financial assets at FVTOCI and deferred tax assets.

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

Information about reportable segment profit or loss:

	Manufacture and sale of electronic fire equipment <i>RMB'000</i>	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2019					
Revenue from external customers	<u>908,265</u>	<u>59,836</u>	<u>–</u>	<u>4,948</u>	<u>973,049</u>
Segment profit/(loss)	<u>163,178</u>	<u>26,622</u>	<u>(8,991)</u>	<u>293</u>	<u>181,102</u>
Interest income					1,536
Finance costs					(6,905)
Unallocated corporate expenses					<u>(8,325)</u>
Profit before tax					<u>167,408</u>
Other segment information:					
Depreciation and amortisation expenses	13,625	3,367	10	829	17,831
Share of losses of associates	(1,922)	(2,267)	(3,134)	–	(7,323)
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(775)</u>	<u>–</u>	<u>(775)</u>
Six months ended 30 June 2018					
Revenue from external customers	<u>704,619</u>	<u>63,776</u>	<u>–</u>	<u>4,456</u>	<u>772,851</u>
Segment profit	<u>161,752</u>	<u>29,948</u>	<u>44,519</u>	<u>93</u>	<u>236,312</u>
Interest income					859
Finance costs					(7,739)
Unallocated corporate expenses					<u>(8,591)</u>
Profit before tax					<u>220,841</u>
Other segment information:					
Depreciation and amortisation expenses	10,688	1,787	14	850	13,339
Share of (losses)/gains of associates	(2,847)	(2,842)	51,386	–	45,697
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(298)</u>	<u>–</u>	<u>(298)</u>

Information about reportable segment assets:

	Manufacture and sale of electronic fire equipment <i>RMB'000</i>	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
At 30 June 2019					
Segment assets	<u>2,398,591</u>	<u>405,328</u>	<u>872,112</u>	<u>24,507</u>	<u>3,700,538</u>
Unallocated corporate assets					
Property, plant and equipment					6,507
Cash and cash equivalents					12,314
Others					<u>34,399</u>
					<u>53,220</u>
Total assets					<u><u>3,753,758</u></u>
Segment assets including:					
Investments in associates	1,016	194,573	450,086	–	645,675
Investments in joint ventures	–	–	253,037	–	253,037
Additions to non-current assets	<u>12,614</u>	<u>70,124</u>	<u>26</u>	<u>263</u>	<u>83,027</u>
At 31 December 2018					
Segment assets	<u>2,182,518</u>	<u>331,140</u>	<u>879,964</u>	<u>25,068</u>	<u>3,418,690</u>
Unallocated corporate assets					
Property, plant and equipment					6,790
Cash and cash equivalents					14,387
Others					<u>28,849</u>
					<u>50,026</u>
Total assets					<u><u>3,468,716</u></u>
Segment assets including:					
Investments in associates	17,567	196,840	453,220	–	667,627
Investments in joint ventures	–	–	253,392	–	253,392
Additions to non-current assets	<u>37,732</u>	<u>1,296</u>	<u>38,461</u>	<u>316</u>	<u>77,805</u>

Geographical information:

	Revenue		Non-current assets	
	Six months ended 30 June 2019 <i>RMB'000</i>	30 June 2018 <i>RMB'000</i>	30 June 2019 <i>RMB'000</i>	31 December 2018 <i>RMB'000</i>
PRC except Hong Kong	964,839	768,204	1,270,186	1,210,395
The United States	5,691	4,629	19,932	12,718
Canada	1,311	15	62,746	60,858
Others	1,208	3	311	48
	973,049	772,851	1,353,175	1,284,019

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

For the six months ended 30 June 2019 and 2018, 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	
	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Interest on bank, other loans and lease liabilities	4,656	2,826	8,131	5,368
Net foreign exchange (gain)/losses	(744)	(2,991)	(1,226)	2,371
	3,912	(165)	6,905	7,739

7. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Current tax				
Provision for the period				
PRC	22,272	26,111	36,508	37,157
The United States	2	8	2	8
	22,274	26,119	36,510	37,165
Deferred tax	(2,765)	(3,352)	(2,765)	(3,352)
	19,509	22,767	33,745	33,813

No provision for Hong Kong Profits Tax is required for the six months ended 30 June 2019 and 2018 since the Group had no assessable profit for both 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.

Three 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% (2018: 25%).

8. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after charging the following:

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Amortisation of other intangible assets	907	546	1,698	1,092
Depreciation	8,301	6,400	16,415	12,588
Loss on disposal of property, plant and equipment	26	21	42	27
	26	21	42	27

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 2019 is based on the profit for the period attributable to owners of the Company of RMB41,535,000 (2018: RMB104,164,000) and the weighted average number of ordinary shares of 1,378,720,000 (2018: 1,378,720,000) 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 2019 and 2018. 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 2019 is based on the profit for the period attributable to owners of the Company of RMB64,350,000 (2018: RMB119,274,000) and the weighted average number of ordinary shares of 1,378,720,000 (2018: 1,378,720,000) 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 2019 and 2018. 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 2019 (2018: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group had additions to property, plant and equipment of approximately RMB16,691,000 and disposed of property, plant and equipment with net book value of approximately RMB78,000.

12. TRADE AND OTHER RECEIVABLES

	30 June 2019 RMB'000	31 December 2018 RMB'000
Trade and bills receivables	1,361,270	1,047,884
Less: allowance for doubtful debts	(137,384)	(111,394)
	<u>1,223,886</u>	<u>936,490</u>
Advances to staff	4,634	2,392
Deposits	2,318	2,381
Due from associates	51,498	51,498
Due from shareholders	267	161
Loans and interest receivables	1,000	1,000
Other receivables	123,792	104,877
Less: allowance for doubtful debts	(30,602)	(29,109)
	<u>152,907</u>	<u>133,200</u>
Advances to suppliers	11,841	11,400
Contract assets	1,510	2,475
Prepayments	26,730	20,187
	<u>1,416,874</u>	<u>1,103,752</u>

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 goods are delivered or services are rendered as this is the point in time that the consideration is unconditional. 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 goods are delivered or services are rendered as this is the point in time that the consideration is unconditional, is as follows:

	30 June 2019 RMB'000	31 December 2018 RMB'000
Less than 3 months	550,581	492,891
3 to 6 months	208,549	185,287
6 to 12 months	322,413	145,238
Over 1 year	142,343	113,074
	<u>1,223,886</u>	<u>936,490</u>

13. TRADE AND OTHER PAYABLES

	30 June 2019 RMB'000	31 December 2018 RMB'000
Trade payables	382,182	357,116
Contract liabilities	22,626	61,513
Accruals and other payables	96,742	89,318
Salaries and staff welfare payables	18,751	45,343
Due to associates	3,024	3,604
Due to a shareholder	2,519	2,129
Due to related parties	4,736	4,142
	<u>530,580</u>	<u>563,165</u>

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	30 June 2019 RMB'000	31 December 2018 RMB'000
0 to 90 days	314,812	308,081
91 to 180 days	50,148	33,786
181 to 365 days	10,769	10,972
Over 365 days	6,453	4,277
	<u>382,182</u>	<u>357,116</u>

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 2019 and at 30 June 2019	700,000	678,720	1,378,720	70,000	67,872	137,872

15. ACQUISITION OF A SUBSIDIARY

In January 2019, the Group acquired a 21% equity interest in Beijing Zhongke Zhichuang Electric Appliance Company Limited (“Beijing Zhongke”) at a consideration of RMB6,972,000 from one independent third party of the Group together with capital contribution commitment of RMB5,354,000. Beijing Zhongke was engaged in production of fire emergency sign lights, lighting lights, emergency power supply for fire emergency lighting and related products. Upon the completion of acquisition, the Company owned 56% indirect interest in Beijing Zhongke, and Beijing Zhongke became an indirect subsidiary of the Company.

The fair value of the identifiable assets and liabilities of Beijing Zhongke acquired as at the date of acquisition are as follows:

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	367
Other intangible assets	4,186
Inventories	18,164
Trade and other receivables	17,013
Cash and cash equivalents	11,999
Trade and other payables	<u>(39,465)</u>
	12,264
Non-controlling interests	(7,752)
Fair value of equity interests in Beijing Zhongke before the business combination	(9,035)
Goodwill	<u>11,495</u>
Satisfied by cash	<u>6,972</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:

	Six months ended 30 June	
	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Sales of electronic fire alarm systems and related products to related companies controlled by Peking University	<u>71</u>	<u>55</u>
Rental expenses for office buildings charged by		
– a shareholder of the Company	1,251	1,218
– a non-controlling interest of a subsidiary	<u>525</u>	<u>40</u>
	<u>1,776</u>	<u>1,258</u>
Loan interest expense paid to a non-controlling interest of a subsidiary	<u>–</u>	<u>201</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:

	30 June 2019 <i>RMB'000</i>	31 December 2018 <i>RMB'000</i>
Due from associates	<u>51,498</u>	<u>51,498</u>
Due from shareholders	<u>267</u>	<u>161</u>
Due from a related company controlled by Peking University included in other receivables	<u>27</u>	<u>27</u>
Due to associates	<u>3,024</u>	<u>3,604</u>
Due to a shareholder	<u>2,519</u>	<u>2,129</u>
Due to non-controlling interests of subsidiaries included in other payables	<u>2,149</u>	<u>2,235</u>
Due to related companies controlled by Peking University	<u>4,736</u>	<u>4,142</u>

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

	Six months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Short term employee benefits	1,558	1,597
Post-employment benefits	138	104
	<u>1,696</u>	<u>1,701</u>

17. FINANCIAL GUARANTEE

As at 30 June 2019, the Group issued guarantees to several banks in respect of banking facilities granted to two associates.

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 granted by book amounted at RMB390,000,000 (31 December 2018: RMB503,000,000).

18. CAPITAL COMMITMENTS

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

	30 June 2019	31 December 2018
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted but not provided for		
Property, plant and equipment	6,854	3,955
Unpaid balance of capital contribution to associates and joint ventures	<u>92,596</u>	<u>92,596</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

The Group is principally engaged in manufacture and sale of electronic fire equipment business, tourism development business and investment holding of diversified portfolios.

The Group's manufacture and sale of electronic fire equipment and tourism development segments continued to be the core source of revenue. As a result of continued satisfactory performance of manufacture and sale of electronic fire equipment segment, the Group's revenue for the six months ended 30 June 2019 amounted to approximately RMB973.0 million, representing an increase of 25.9% as compared with approximately RMB772.9 million in 2018. The gross profit rose 12.8% year-on-year to approximately RMB398.2 million (2018: RMB352.9 million) with gross profit margin of approximately 41% (2018: 46%). Decrease in gross profit margin was mainly due to the price adjustments of the Group's fire safety products according to the latest sales strategy during the period under review. The Group's total operating expenses, including distribution costs, administrative expenses and other expenses, were increased by 27.9% to approximately RMB199.2 million (2018: RMB155.8 million), following to the continued growth of the Group's main businesses, in particular, the increase in distribution costs and research and development costs of the manufacture and sale of electronic fire equipment segment to achieve strong sales performance and maintain competitiveness. During the reporting period, profit attributable to owners of the Company decreased 46.0% year-on-year to approximately RMB64.4 million (2018: RMB119.3 million). The decrease was mainly attributable to the share of losses of associates of approximately RMB7.3 million for the six months ended 30 June 2019, as compared to the share of profits of associates of approximately RMB45.7 million for the six months ended 30 June 2018 mainly as a result of recognition of income from the property development project in the PRC by the Group's associate during the six months ended 30 June 2018.

Manufacture and sale of electronic fire equipment

The Group focused on research, development, manufacture, marketing and sale of 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. The Group aims to provide comprehensive fire safety solution that integrates fire protection, security, monitoring and intelligent identification. The Group mainly distributes its fire safety products through dealers across the region in the PRC, and actively explores overseas markets. Its headquarter is located in Beijing with main production facilities in Hebei, Beijing and Sichuan, the PRC.

The Group's fire safety products was highly recognized and favored by customers because of its leading position in the industry research strength and product quality. With its strong R&D platform, the Group continued to enrich the product portfolio, especially the multi-system fire protection products, which not only could meet the new requirements of the new national standards, but also adopted advanced technology. During the period, the Group demonstrated its product advantages by participating in the fire drill in Hangzhou. The Group also organised seminars and promotion campaign, that enabled the Group to better understand the market and obtain valuable front-line information for formulation of sales policies and product development.

Revenue generated from the manufacture and sale of electronic fire equipment business increased from approximately RMB704.6 million in 2018 to approximately RMB908.3 million in 2019, representing a growth of 28.9%. During the period under review, the Group's production of various fire safety products has increased compared with the same period of last year, mainly due to the steady growth of dealers' delivery orders, the launch of new products and the additions of new production lines and advanced equipment. New type of voltage and current sensor products have enriched the Group's product portfolio of fire monitoring system and maintained a high growth rate once launched. In addition, the Group has obtained international certifications for its fire safety products, which further stimulated sales growth.

Reference is made to the announcement of the Company dated 1 February 2013 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 of the Shenzhen Stock Exchange (the "Proposed A Share Listing"). On 19 July 2019, Jade Bird Fire Alarm received a written approval issued by the China Securities Regulatory Commission in respect of the initial public offering of Jade Bird Fire Alarm (the "Approval"). Pursuant to the Approval, Jade Bird Fire Alarm was approved to publicly issue no more than 60 million new shares within 12 months from the date of the Approval. On 29 July 2019, Jade Bird Fire Alarm and the lead underwriter, based on the preliminary pricing inquiry results, determined that the offer price for the Proposed A Share Listing was RMB17.34 per share. Details were disclosed in the announcement of the Company dated 19 July 2019 and 29 July 2019.

Tourism development

The Group is engaged in provision of environmental shuttle bus service and property management services, and operation of tourist service center and tourist souvenir shops in Hengshan Mountain scenic area, the PRC. The Group also, through investments in associates, participated 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 of environmental shuttle bus service was the main source of income of the Group's tourism development business, which continued to contribute constant profit and cash flow to the Group. For the six months ended 30 June 2019, the Group's tourism development business recorded revenue of approximately RMB59.8 million (2018: RMB63.8 million), representing a decrease by 6.3% when compared with the corresponding year of 2018. Such decrease was mainly attributable to more rain and snow weather during the period and hence the decrease in number of tourists and pilgrims to Hengshan Mountain scenic area and implementation of travel scheme for elderly and students. The service utilisation rate of the Group's environmental bus service remained stable at 93%.

Investment holding

As at 30 June 2019, the Group's investment holding business mainly included investments in a subsidiary, which is a private equity fund with equity investments in private enterprises in the PRC principally engaged in manufacturing and sale of light-emitting diode related products and e-commerce business, the investments in financial assets at fair value through other comprehensive income including listed companies in Hong Kong and a private enterprise in the PRC, investments in associates and joint ventures which were private equity funds with investments in private enterprises in the PRC, and the investment in co-production of films and television dramas in the PRC. During the period, the Group did not effect any material additional new investments. This segment total assets decreased from approximately RMB880.0 million as at 31 December 2018 to approximately RMB872.1 million as at 30 June 2019, representing a slight decrease of 0.9%. For the six months ended 30 June 2019, a gain on disposal of approximately RMB3.8 million was transferred to retained profits as a result of disposal of certain financial assets held by the Group.

Outlook

Looking ahead, the Group's manufacture and sale of electronic fire equipment business will actively explore the market and pay attention to marketing and promotion through participating industry exhibitions, and cooperating with professional fire protection websites and new media platforms. The Group will increase its supports for the dealers in the area of marketing policy and operation management to enhance market competitiveness of the dealers. The Group will focus on the investment in the platform for research and development, establishment of high calibre teams and introduction of international advanced technology and experience to provide guarantee for the improvement of product performance and quality.

It will be the peak season of the Group's tourism development business in the third quarter. The number of tourists and pilgrims visiting Hengshan Mountain scenic area is expected to be increased during major religious festivals and the summer vacation.

Disclosure under Rule 17.24 of the GEM Listing Rules

As at 30 June 2019, 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 RMB423,400,000 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 June 2019 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")	233,400 <i>(note 1)</i>
Chuanqi (Hunan) Enterprise Development Co., Ltd. ("Chuanqi Enterprise")	190,000 <i>(note 2)</i>
	<hr style="width: 100%; border: 0.5px solid black;"/> 423,400 <hr style="width: 100%; border: 0.5px solid black;"/>

Notes:

1. The amount includes (i) a guarantee of RMB200,000,000 to Bank A and Bank B by the Company; and (ii) an interest-free and unsecured shareholder's loan of RMB33,400,000 from Chuanqi Tourism Investment Co., Ltd. ("Chuanqi Tourism"), a non-wholly owned subsidiary of the Company to Songya Lake Construction. The total amount of the facilities from Bank A and Bank B to Songya Lake Construction is RMB786,000,000.
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 June 2019 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 RMB'000	Group's attributable interests RMB'000
Assets	3,974,580	1,118,053
Liabilities	<u>(3,595,374)</u>	<u>(1,008,723)</u>
Net assets	<u>379,206</u>	<u>109,330</u>

Material acquisitions and disposals of subsidiaries and affiliated companies

Saved as disclosed herein this section, during the six months ended 30 June 2019, 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 2019, 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 in 2017. As at 30 June 2019, the Group had cash and bank balances of approximately RMB515.3 million, which were denominated mainly in Renminbi ("RMB"), Hong Kong dollars ("HK\$"), US dollars ("USD"), Canadian dollars ("CAD") and Euro ("EUR").

As at 30 June 2019, the Group had net assets of approximately RMB2,805.2 million. The Group had total outstanding borrowings of approximately RMB320.9 million which consisted of secured bank loans of approximately RMB320.9 million. The bank loans were denominated in RMB and USD and bore interest rates ranging from 4.35% per annum to 6.00% per annum.

As at 30 June 2019, 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.

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 June 2019, approximately RMB103.9 million was applied to capital contribution to associates and investment of the Company and payments for investments of the Group; and approximately RMB13.9 million was applied as working capital of the Group. All the net proceeds from the placing have been fully utilised.

The gearing ratio of the Group as at 30 June 2019, which is measured by total interest-bearing debts to total equity, was 11.4% (31 December 2018: 8.5%). During the period, the total bank loans were increased for the continuous business expansion and development.

Significant investments held

As at 30 June 2019, the Group held financial assets at FVTOCI of approximately RMB132.5 million, representing 3.5% of the total assets of the Group, which mainly comprised of:

- (i) 17.5% equity interest in Enraytek Optoelectronics (Shanghai) Co., Ltd. ("Enraytek Optoelectronics") with investment cost of approximately RMB113.5 million at fair value of approximately RMB50.1 million, representing 1.3% of the total assets of the Group as at 30 June 2019. 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;

- (ii) 19% equity interest in Beida Jade Bird Tongling Semiconductor Industry Investment Fund (Limited Partnership) (“Tongling Investment Fund”) with investment cost of approximately RMB66.5 million at fair value of approximately RMB60.5 million, representing 1.6% of the total assets of the Group as at 30 June 2019. Tongling Investment Fund is a limited partnership investment fund established in the PRC with investment scope of semiconductor industry chain projects in the city of Tongling, Anhui province. There is no significant change in fair value for the period; and
- (iii) 2,540,340 ordinary shares of Semiconductor Manufacturing International Corporation (“SMIC”) with investment cost of approximately RMB19.9 million at fair value of approximately RMB19.4 million, representing 0.5% of the total assets of the Group as at 30 June 2019. 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 an increase in fair value of approximately RMB4.5 million included in other comprehensive income for the period.

Investment holding is one of the core businesses of the Group, and the Group strives to identify promising investment opportunities. 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. The Group will carefully assess investment opportunities in the market to diversify investment business portfolio in view of expected higher volatility ahead.

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 2019.

Contingent liabilities

The Group had contingent liabilities in the sum of approximately RMB390 million in respect of guarantee for banking facilities granted to associates of the Company.

In 2011, a subsidiary of the Company received an assessment demanding final tax for the year of assessment 2004/2005 from The Hong Kong Inland Revenue Department (the “IRD”). The amount of this assessment was approximately HK\$47,852,000 (equivalent to RMB42,095,000) in which approximately HK\$47,748,000 (equivalent to RMB42,004,000) relating to a claim for gain on disposal of long term investment recognised during the year ended 31 December 2004. On 25 February 2013, the IRD issued a notice to the subsidiary informing that the case has been forwarded to the Appeals Section of the IRD for further processing. The outcome of the tax claim cannot be readily ascertained up to the date of this report. Should the assessment regarding the claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK\$47,748,000 (equivalent to RMB42,004,000) will be recognised.

Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 30 June 2019.

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, EUR 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 2019, the Group's certain fixed assets with carrying amount of approximately RMB112.6 million (31 December 2018: RMB107.5 million) and bank deposit of approximately RMB Nil (31 December 2018:RMB5.0 million) were pledged as securities for the Group's bank loans.

Employees and remuneration policy

The Group considers people as the valuable assets. The Directors are of the view that the Group maintains good working relations with its employees. The Group had stable workforce of 2,910 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year, up 11.4% since the end of 2018. 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 emphasizes on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs are 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 RMB149.6 million for the six months ended 30 June 2019 (2018: RMB113.4 million).

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

As at 30 June 2019, 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 promoters 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 Director and Supervisor 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 2019.

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 2019, 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	<i>Note</i>	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	<i>(a)</i>	Through controlled corporations	200,000,000	28.57%	14.50%
2. Beida Asset Management Co., Ltd.	<i>(a)</i>	Through controlled corporations	200,000,000	28.57%	14.50%
3. Beijing Beida Jade Bird Software System Co., Ltd.	<i>(a)</i>	Through controlled corporations	200,000,000	28.57%	14.50%
4. Beijing Beida Jade Bird Limited	<i>(a)</i>	Directly beneficially owned	115,000,000	16.43%	8.34%
5. Beida Microelectronics Investment Limited	<i>(a)</i>	Through controlled corporations	85,000,000	12.14%	6.16%
6. Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd	<i>(a)</i>	Through a controlled corporation	85,000,000	12.14%	6.16%
7. Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd	<i>(a)</i>	Directly beneficially owned	85,000,000	12.14%	6.16%

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
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; and
 - (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.

- (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 2019.

COMPETING INTERESTS

As at 30 June 2019, 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 2019.

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 2019.

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 2019.

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 second quarterly results report for the six months ended 30 June 2019 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, 7 August 2019

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”.