



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)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

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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 2020 together with the unaudited comparative figures for the corresponding period in 2019 as follows:

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

For the nine months ended 30 September 2020

| | | Three months ended 30 September | | Nine months ended 30 September | |
|---|-------|------------------------------------|-----------------|-----------------------------------|-----------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | Notes | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| CONTINUING OPERATIONS | | | | | |
| Revenue | 3 | 166,615 | 56,485 | 353,733 | 121,269 |
| Cost of sales and services | | <u>(130,428)</u> | <u>(14,946)</u> | <u>(304,873)</u> | <u>(38,979)</u> |
| Gross profit | | 36,187 | 41,539 | 48,860 | 82,290 |
| Other gains and income | 4 | 101,220 | 99 | 102,906 | 657 |
| Distribution costs | | (287) | (215) | (552) | (711) |
| Administrative expenses | | (28,269) | (12,594) | (49,616) | (36,939) |
| Other expenses | | (5,095) | (183) | (5,195) | (711) |
| Profit from operations | | 103,756 | 28,646 | 96,403 | 44,586 |
| Finance costs | 5 | (5,506) | (801) | (15,583) | (4,398) |
| Share of profits of associates | | 64,545 | 29,858 | 114,120 | 24,457 |
| Share of losses of joint ventures | | (779) | (166) | (910) | (941) |
| Profit before tax | | 162,016 | 57,537 | 194,030 | 63,704 |
| Income tax expense | 6 | (7,213) | (8,225) | (7,291) | (14,966) |
| Profit for the period from continuing operations | | 154,803 | 49,312 | 186,739 | 48,738 |

| | Notes | Three months ended 30 September | | Nine months ended 30 September | |
|---|-------|------------------------------------|-----------------|-----------------------------------|------------------|
| | | 2020 RMB'000 | 2019 RMB'000 | 2020 RMB'000 | 2019 RMB'000 |
| DISCONTINUED OPERATIONS | | | | | |
| Profit for the period from discontinued operations | 10 | <u>–</u> | <u>854,750</u> | <u>–</u> | <u>988,987</u> |
| Profit for the period | | <u>154,803</u> | <u>904,062</u> | <u>186,739</u> | <u>1,037,725</u> |
| 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”) | | <u>(16,375)</u> | <u>2,240</u> | <u>10,479</u> | <u>6,296</u> |
| Share of other comprehensive income of associates | | <u>(2,028)</u> | <u>1,861</u> | <u>572</u> | <u>1,861</u> |
| Share of other comprehensive income of joint ventures | | <u>–</u> | <u>23</u> | <u>–</u> | <u>45</u> |
| | | <u>(18,403)</u> | <u>4,124</u> | <u>11,051</u> | <u>8,202</u> |
| <i>Items that may be reclassified to profit or loss:</i> | | | | | |
| Exchange differences on translating foreign operations | | <u>(3,585)</u> | <u>6,691</u> | <u>(681)</u> | <u>14,301</u> |
| Reclassification of foreign currency translation reserve to profit or loss upon deemed disposal of subsidiaries | | <u>–</u> | <u>1,776</u> | <u>–</u> | <u>1,776</u> |
| | | <u>(3,585)</u> | <u>8,467</u> | <u>(681)</u> | <u>16,077</u> |
| Other comprehensive income for the period, net of tax | | <u>(21,988)</u> | <u>12,591</u> | <u>10,370</u> | <u>24,279</u> |
| Total comprehensive income for the period | | <u>132,815</u> | <u>916,653</u> | <u>197,109</u> | <u>1,062,004</u> |

| | Notes | Three months ended | | Nine months ended | |
|---|-------|--------------------|----------------|-------------------|------------------|
| | | 30 September | | 30 September | |
| | | 2020 | 2019 | 2020 | 2019 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Profit for the period attributable to: | | | | | |
| Owners of the Company | | | | | |
| Profit for the period from continuing operations | | 145,681 | 40,578 | 181,768 | 35,039 |
| Profit for the period from discontinued operations | | – | 833,987 | – | 903,876 |
| | | <u>145,681</u> | <u>874,565</u> | <u>181,768</u> | <u>938,915</u> |
| Profit for the period attributable to owners of the Company | | | | | |
| | | <u>145,681</u> | <u>874,565</u> | <u>181,768</u> | <u>938,915</u> |
| Non-controlling interests | | | | | |
| Profit for the period from continuing operations | | 9,122 | 8,734 | 4,971 | 13,699 |
| Profit for the period from discontinued operations | | – | 20,763 | – | 85,111 |
| | | <u>9,122</u> | <u>29,497</u> | <u>4,971</u> | <u>98,810</u> |
| Profit for the period attributable to non-controlling interests | | | | | |
| | | <u>9,122</u> | <u>29,497</u> | <u>4,971</u> | <u>98,810</u> |
| Total comprehensive income for the period attributable to: | | | | | |
| Owners of the Company | | | | | |
| | | 123,785 | 887,749 | 192,198 | 959,175 |
| Non-controlling interests | | | | | |
| | | 9,030 | 28,904 | 4,911 | 102,829 |
| | | <u>132,815</u> | <u>916,653</u> | <u>197,109</u> | <u>1,062,004</u> |
| | | <u>RMB</u> | <u>RMB</u> | <u>RMB</u> | <u>RMB</u> |
| Earnings per share from continuing operations | | | | | |
| Basic and diluted (cents per share) | 7 | <u>10.57</u> | <u>2.94</u> | <u>13.18</u> | <u>2.54</u> |
| Earnings per share from discontinued operations | | | | | |
| Basic and diluted (cents per share) | 7 | <u>–</u> | <u>60.49</u> | <u>–</u> | <u>65.56</u> |

Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the nine months ended 30 September 2020

| | 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 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 | - | - | - | 13,964 | 6,296 | - | 938,915 | 959,175 | 102,829 | 1,062,004 |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - | 7,752 | 7,752 |
| Appropriation of safety production fund | - | - | - | - | - | 21 | (21) | - | - | - |
| Capital contribution from non-controlling interests | - | - | - | - | - | - | 750 | 750 | 848 | 1,598 |
| Deemed disposal of subsidiaries | - | - | (58,628) | - | - | (10,969) | - | (69,597) | (829,287) | (898,884) |
| Transfer of gain on disposal of financial assets at FVTOCI | - | - | - | - | (3,862) | - | 3,862 | - | - | - |
| Changes in equity for the period | - | - | (58,628) | 13,964 | 2,434 | (10,948) | 943,506 | 890,328 | (717,858) | 172,470 |
| Balance at 30 September 2019 | <u>137,872</u> | <u>562,519</u> | <u>93,949</u> | <u>(30,126)</u> | <u>(43,393)</u> | <u>5,436</u> | <u>1,914,306</u> | <u>2,640,563</u> | <u>182,322</u> | <u>2,822,885</u> |
| At 1 January 2020 | 137,872 | 562,519 | 96,130 | (38,230) | (176,965) | 5,597 | 2,291,298 | 2,878,221 | 197,150 | 3,075,371 |
| Total comprehensive income for the period | - | - | - | (49) | 10,479 | - | 181,768 | 192,198 | 4,911 | 197,109 |
| Appropriation of safety production fund | - | - | - | - | - | (23) | 23 | - | - | - |
| Disposal of a subsidiary | - | - | - | - | - | - | - | - | (53,028) | (53,028) |
| Transfer | - | - | (10) | - | - | - | 10 | - | - | - |
| Changes in equity for the period | - | - | (10) | (49) | 10,479 | (23) | 181,801 | 192,198 | (48,117) | 144,081 |
| At 30 September 2020 | <u>137,872</u> | <u>562,519</u> | <u>96,120</u> | <u>(38,279)</u> | <u>(166,486)</u> | <u>5,574</u> | <u>2,473,099</u> | <u>3,070,419</u> | <u>149,033</u> | <u>3,219,452</u> |

Note:

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") as a sino-foreign joint stock limited liability company. The Company's H shares are listed on GEM. The address of its registered office is 3rd Floor, Beida Jade Bird Building, Yanyuan District Area 3, No. 5 Haidian Road, Haidian District, Beijing 100080, the PRC. The addresses of its principal place of business in the PRC and Hong Kong are 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC and 17th Floor, V Heun Building, 138 Queen's Road Central, Central, Hong Kong respectively.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are the development of travel and leisure business, investment holding, production and sales of wine and related products and sales and purchases of metal 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 2020. 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 2020. 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 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 2019. 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 | | Nine months | |
|---|--------------------|----------------|--------------------|----------------|
| | ended 30 September | | ended 30 September | |
| | 2020 | 2019 | 2020 | 2019 |
| | <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 | | | | |
| – Rendering of travel and leisure services | 44,667 | 53,284 | 66,841 | 113,120 |
| – Sales of wine and related products | 3,371 | 3,201 | 8,183 | 8,149 |
| – Sales of metal products | 118,577 | – | 278,709 | – |
| | 166,615 | 56,485 | 353,733 | 121,269 |

The Group derives all revenue from the transfer of goods and services at a point in time except for the revenue from certain travel and leisure services which are recognised over the time.

4. OTHER GAINS AND INCOME

| | Three months | | Nine months | |
|---|--------------------|----------------|--------------------|----------------|
| | ended 30 September | | ended 30 September | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Bank interest income | 165 | 31 | 506 | 197 |
| Gain on disposal of a subsidiary (<i>note 9</i>) | 92,487 | – | 92,487 | – |
| Government grants | 549 | 36 | 568 | 36 |
| Reversal of impairment loss on trade and other receivables, net | 4,452 | – | 4,451 | – |
| Others | 3,567 | 32 | 4,894 | 424 |
| | 101,220 | 99 | 102,906 | 657 |

5. FINANCE COSTS

| | Three months | | Nine months | |
|---|--------------------|----------------|--------------------|----------------|
| | ended 30 September | | ended 30 September | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Interest on bank, other loans and lease liabilities | 4,468 | 1,309 | 12,996 | 4,121 |
| Net foreign exchange losses/(gain) | 1,038 | (508) | 2,587 | 277 |
| | 5,506 | 801 | 15,583 | 4,398 |

6. INCOME TAX EXPENSE

| | Three months | | Nine months | |
|--------------------------|--------------------|----------------|--------------------|----------------|
| | ended 30 September | | ended 30 September | |
| | 2020 | 2019 | 2020 | 2019 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Current tax | | | | |
| Provision for the period | | | | |
| PRC | 6,744 | 8,225 | 6,820 | 14,964 |
| Hong Kong | 469 | – | 469 | – |
| The United States | – | – | 2 | 2 |
| | 7,213 | 8,225 | 7,291 | 14,966 |

No provision for Hong Kong Profits Tax is required for the nine months ended 30 September 2020 and 2019 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.

The subsidiaries of the Company established in the PRC are generally subject to income tax on their taxable income at a tax rate of 25% (2019: 25%).

7. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic earnings per share from continuing operations and discontinued operations attributable to owners of the Company for the three months ended 30 September 2020 is based on the profit for the period attributable to owners of the Company of RMB145,681,000 (2019: RMB40,578,000) and a profit of RMBNil (2019: RMB833,987,000) respectively and the weighted average number of ordinary shares of 1,378,720,000 (2019: 1,378,720,000) in issue during the period. No adjustment has been made to the basic earnings per share amounts presented for the three months ended 30 September 2020 and 2019. Therefore, the calculation of the diluted earnings per share is the same as basic earnings per share.

The calculation of basic earnings per share from continuing operations and discontinued operations attributable to owners of the Company for the nine months ended 30 September 2020 is based on the profit for the period attributable to owners of the Company of RMB181,768,000 (2019: RMB35,039,000) and a profit of RMBNil (2019: RMB903,876,000) respectively and the weighted average number of ordinary shares of 1,378,720,000 (2019: 1,378,720,000) in issue during the period. No adjustment has been made to the basic earnings per share amounts presented for the nine months ended 30 September 2020 and 2019. 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 2020 (2019: Nil).

9. DISPOSAL OF A SUBSIDIARY

On 15 May 2020, the Company entered into the sale and purchase agreement (the “SP Agreement”) with an independent third party and Chuanqi Tourism Investment Co., Ltd. (“Chuanqi Tourism”), an non-wholly owned subsidiary of the Company, for the disposal of the 60% equity interest in Chuanqi Tourism held by the Company at the consideration of RMB172,028,880; and for the guarantee fee arrangement in relation to the release of the guarantee agreement (the “Guarantee Agreement”) executed by the Company and the banks dated 31 January 2013 which secured the obligations of Changsha Songya Lake Construction Investment Co., Ltd. (“Songya Lake Construction”), an associate of the Group which is held as to 46.6% of its registered capital by Chuanqi Tourism, under a facility agreement. Chuanqi Tourism, through Songya Lake Construction, is principally engaged in participation in tourism development projects and its principal asset is the investment in Songya Lake Construction. Details were disclosed in the announcements of the Company dated 15 May 2020 and 26 June 2020 and the circular of the Company dated 30 June 2020. The approvals of the shareholders of the Company in respect of the SP Agreement and the transactions contemplated; and the continuing provision of the guarantee in accordance with the Guarantee Agreement after the completion (the “Completion”) of the sale and purchase of the 60% equity interest in Chuanqi Tourism, have been obtained at the special general meeting of the Company on 21 July 2020. The Completion took place on 3 September 2020. Upon Completion, Chuanqi Tourism and Songya Lake Construction ceased to be a subsidiary and an associate of the Company respectively.

Net assets of Chuanqi Tourism on the date of disposal are disclosed below:

RMB'000

Analysis of assets and liabilities over which control was lost:

| | |
|----------------------------|--------|
| Investment in an associate | 85,737 |
| Due from an associate | 33,400 |
| Prepayments | 13,433 |

| | |
|------------------------|----------------|
| Net assets disposed of | <u>132,570</u> |
|------------------------|----------------|

Gain on disposal of a subsidiary:

| | |
|---------------------------|-----------|
| Consideration | 172,029 |
| Net assets disposed of | (132,570) |
| Non-controlling interests | 53,028 |

| | |
|----------------------------------|---------------|
| Gain on disposal of a subsidiary | <u>92,487</u> |
|----------------------------------|---------------|

10. DISCONTINUED OPERATIONS

References are 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 Jade Bird Fire Co., Ltd (“Jade Bird Fire”), a then subsidiary of the Group, and a separate listing of the manufacture and sale of electronic fire equipment business owned and operated by Jade Bird Fire on The Small and Medium Enterprises Board (the “SME Board”) of the Shenzhen Stock Exchange (the “Proposed A Share Listing”). On 19 July 2019, Jade Bird Fire received a written approval issued by the China Securities Regulatory Commission in respect of the initial public offering of Jade Bird Fire (the “Approval”). Pursuant to the Approval, Jade Bird Fire was approved to publicly issue no more than 60 million new shares within 12 months from the date of the Approval. On 8 August 2019, Jade Bird Fire issued the Announcement on the Listing of the Shares Offered under Initial Public Offering, pursuant to which, 60,000,000 shares at a price of RMB17.34. The shares of Jade Bird Fire were listed on the SME Board of the Shenzhen Stock Exchange on 9 August 2019, with stock code 002960. Details were disclosed in the announcement of the Company dated 19 July 2019, 29 July 2019 and 8 August 2019.

Following the completion of the Proposed A Share Listing on 9 August 2019, Jade Bird Fire ceased to be a non-wholly owned subsidiary of the Company and the Group discontinued its business of manufacture and sale of electronic fire equipment. Jade Bird Fire became associate of the Group with effect from the same date and has since been accounted for using the equity method of accounting. Accordingly, Jade Bird Fire was presented as discontinued operations in the condensed consolidated financial statements of the Company for the nine months ended 30 September 2019. Financial information relating to the discontinued operations for the nine months ended 30 September 2019 is set out below.

| | Three months ended 30 September 2019 | Nine months ended 30 September 2019 |
|--|---|--|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue | 203,181 | 1,111,446 |
| Cost of sales and services | <u>(105,602)</u> | <u>(656,458)</u> |
| Gross profit | 97,579 | 454,988 |
| Other gains and income | 1,047 | 9,265 |
| Impairment loss on trade and other receivables | (5,721) | (31,004) |
| Distribution costs | (20,098) | (98,436) |
| Administrative expenses | (7,745) | (50,469) |
| Other expenses | (10,258) | (63,069) |
| Finance costs | (920) | (4,228) |
| Share of losses of associates | <u>(93)</u> | <u>(2,015)</u> |
| Profit before tax | 53,791 | 215,032 |
| Income tax expense | <u>(9,112)</u> | <u>(36,116)</u> |
| Profit after tax from discontinued operations | 44,679 | 178,916 |
| Gain on deemed disposal of subsidiaries | <u>810,071</u> | <u>810,071</u> |
| Profit from discontinued operations | <u><u>854,750</u></u> | <u><u>988,987</u></u> |

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

The Group is principally engaged in tourism development business and investment holding of diversified portfolios.

During the period, the outbreak of novel coronavirus pneumonia (“COVID-19”) had impact on the business environment in the PRC, and the operating results of the Group were affected. For the nine months ended 30 September 2020, the Group commenced sales and purchases of metal products, which expanded the Group’s source of revenue, and the Group recorded total revenue of approximately RMB353.7 million (2019: RMB121.3 million), representing an increase of 191.6% compared with the corresponding period of 2019. The gross profit was decreased by 40.6% to approximately RMB48.9 million (2019: RMB82.3 million), as the gross profit generated from the Group’s tourism development business was affected by outbreak of COVID-19, in particular, temporary closure of Hengshan Mountain scenic area during first quarter in 2020 which led to further decrease in fare revenue of the environmental shuttle bus service. In September 2020, the disposal of 60% equity interest in Chuanqi Tourism, a subsidiary of the Company was completed and the Group recorded a gain on disposal of approximately RMB92.5 million which led to an increase in other gains and income for the period. Jade Bird Fire, a then subsidiary of the Company, became an associate of the Group with effect from the completion of the Proposed A Share Listing in August 2019 and has since been accounted for using the equity method of accounting as the continuing operations of the Group, while the results of Jade Bird Fire before the completion of the Proposed A Share Listing was presented as discontinued operations in 2019. During the reporting period, profit attributable to the owners of the Company from continuing operations increased 419.4% year-on-year to approximately RMB181.8 million (2019: RMB35.0 million), mainly because of the recognition of a gain on disposal of Chuanqi Tourism of approximately RMB92.5 million (2019: Nil); and the increase in share of profits of associates, mainly contributed by Jade Bird Fire as an associate since August 2019. Profit attributable to the owners of the Company (both from continuing and discontinued operations) decreased 80.6% year-on-year to approximately RMB181.8 million (2019: RMB938.9 million) mainly because of the recognition of a gain on deemed disposal of Jade Bird Fire upon the completion of the Proposed A Share Listing of approximately RMB810.1 million included in the profits from discontinued operations in 2019, and there is no such gain recorded during the nine months ended 30 September 2020.

Tourism development

The Company, through its subsidiaries and associates, 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; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzi Mountain.

Hengshan Mountain scenic area was temporarily closed from 25 January 2020 to 26 February 2020 due to the policies and measures implemented by the government of the PRC to deter the spread of COVID-19 epidemic in the PRC (the “Epidemic”). For the nine months ended 30 September 2020, the number of tourists and pilgrims visiting Hengshan Mountain scenic area was decreased by about 46%, and the Group’s tourism development business recorded revenue of approximately RMB66.8 million (2019: RMB113.1 million), representing a decrease by 40.9% when compared with the corresponding period of 2019.

References are made to the announcements of the Company dated 15 May 2020, 26 June 2020 and 3 September 2020 and the circular of the Company dated 30 June 2020. On 15 May 2020, the Company entered into the SP Agreement with an independent third party and Chuanqi Tourism, a non-wholly owned subsidiary of the Company, for the disposal of the 60% equity interest in Chuanqi Tourism held by the Company at the consideration of RMB172,028,880; and for the guarantee fee arrangement in relation to the release of the Guarantee Agreement executed by the Company and the banks dated 31 January 2013 which secured the obligations of Songya Lake Construction, under a facility agreement. The release of the Guarantee Agreement shall be arranged within 12 months from the equity transfer date through negotiation with the banks. The principal asset of Chuanqi Tourism is the investment in 46.6% equity interest in Songya Lake Construction, and Songya Lake Construction is principally engaged in the construction and development of landscape architectures and primary land development of land around the Sonya Lake Region at Changsha County. Having considered the operating environment and the prevailing market condition in the PRC, in particular, there being uncertainty in the domestic real estate market as a result of the global economic slowdown, including China, in recent years, and the projects carried out by Sonya Lake Construction being undertaken in slow progress because of the softening of the domestic demand, and the increase in difficulty in obtaining funding for the projects as well as the outbreak of COVID-19, the Company is of the view that the disposal of the 60% equity interest in Chuanqi Tourism could allow the Group to realize its investment in Sonya Lake Construction and could enable the Group to improve its liquidity and free up capital for its operations and any potential new investment opportunities that can potentially give a better return so as to enhance the shareholder value. The approvals of the shareholders of the Company in respect of the SP Agreement and the transactions contemplated; and the continuing provision of the guarantee by the Company in accordance with the Guarantee Agreement after the completion of the sale and purchase of the 60% equity interest in Chuanqi Tourism, have been obtained at the special general meeting of the Company on 21 July 2020. The Completion took place on 3 September 2020 and the Group recorded a gain on disposal of approximately RMB92.5 million included in other gains and income for the nine months ended 30 September 2020.

During the period under review, Chuanqi Tourism Investment (Hunan) Co., Ltd. (“Chuanqi Tourism (Hunan)”), a direct non-wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Chuanqi (Hunan) Enterprise Development Co., Ltd. (“Chuanqi Enterprise”), an associate of the Group and a connected person of the Company, to acquire a building situated at No.5 Guangji Road, Nanyue District, Hengyang, Hunan, the PRC (the “Property”) at the consideration of RMB45,370,000. The Property would be used for administrative and office use of Chuanqi Tourism (Hunan) to cope with the business development and expansion of the tourism businesses of the Group.

Investment holding

As at 30 September 2020, the Group's investment holding business mainly included investments in a subsidiary, the associates and joint ventures which are private equity funds with equity investments in private enterprises and property projects in the PRC, the investment in Jade Bird Fire, 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, 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.

Outlook

Looking ahead, although the decrease in the revenue generated from the Group's tourism development business was narrowed during the third quarter in 2020, it is expected that the total number of visitors and the performance of the tourism development business of the Group will still be affected in light of the evolving situation regarding the Epidemic.

The Group will keep continuous attention on the development and situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group. The Group would closely monitor the performance of the existing investment portfolio held by the Group and would only explore investment projects with promising development potential in a prudent manner and carefully assess investment opportunities in the market.

Disclosure under Rule 17.24 of the GEM Listing Rules

As at 30 September 2020, the aggregate amount of financial assistance provided by the Group to its affiliated companies, including guarantees provided by the Group in relation to bank facilities of its affiliated companies is RMB290,000,000 in total, which does not 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 2020 are set out below:

| Name of affiliated company | <i>Notes</i> | Aggregate amount of financial assistance and guarantee RMB'000 |
|-----------------------------------|--------------|---|
| Chuanqi Enterprise | 1 | 190,000 |
| Jade Bird Fire | 2 | 100,000 |
| | | <hr/> |
| | | 290,000 |
| | | <hr/> <hr/> |

Notes:

1. The amount includes a guarantee of RMB190,000,000 to a bank by Chuanqi Tourism (Hunan). The total amount of the facilities from the bank to Chuanqi Enterprise is RMB190,000,000.
2. The amount includes a guarantee of RMB100,000,000 to a bank by the Company. The total amount of the facilities from the bank to Jade Bird Fire is RMB100,000,000.

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 2020 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 | 4,389,559 | 1,600,878 |
| Liabilities | <u>(1,135,146)</u> | <u>(401,988)</u> |
| Net assets | <u>3,254,413</u> | <u>1,198,890</u> |

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

As at 30 September 2020, 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 | Interest in non-listed Shares | Interest in H Shares | Approximate percentage of total number of issued non-listed Shares | Approximate percentage of total number of issued H Shares | Approximate percentage of total number of issued Shares |
|--------------------|---|-------------------------------|----------------------|--|---|---|
| Director | | | | | | |
| Mr. Zhang Wanzhong | Beneficial owner and beneficiary of trust | 205,414,000 | - | 29.34% | - | 14.90% |
| Supervisor | | | | | | |
| Ms. Zhou Min | Beneficiary of trust | 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. Zhang Wanzhong, the Director, Mr. Xu Zhendong and Mr. Xu Zhixiang 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. Zhang Wanzhong is one of the trustees holding 20 shares out of 100 shares in the issued share capital of Heng Huat.

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 2020.

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 2020, 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 | Interest in non-listed Shares | Interest in H Shares | Approximate percentage of total number of issued non-listed Shares | Approximate percentage of total number of issued H Shares | Approximate percentage of total number of issued Shares |
|---|------|------------------------------------|-------------------------------|----------------------|--|---|---|
| Peking University | (a) | Interest of controlled corporation | 200,000,000 | – | 28.57% | – | 14.50% |
| Beida Asset Management Co., Ltd. | (a) | Interest of controlled corporation | 200,000,000 | – | 28.57% | – | 14.50% |
| Beijing Beida Jade Bird Software System Co., Ltd. | (a) | Interest of controlled corporation | 200,000,000 | – | 28.57% | – | 14.50% |
| Beida Microelectronics Investment Limited | (a) | Interest of controlled corporation | 200,000,000 | – | 28.57% | – | 14.50% |
| Gifted Pillar Limited | (a) | Interest of controlled corporation | 200,000,000 | – | 28.57% | – | 14.50% |
| Rainbow Mountain Holdings Limited | (a) | Interest of controlled corporation | 200,000,000 | – | 28.57% | – | 14.50% |
| Beijing Rainbow Mountain Sci-Tech Development Co., Ltd. | (a) | Beneficial owner | 200,000,000 | – | 28.57% | – | 14.50% |
| Grand East (H.K.) Limited | | Beneficial owner | 110,000,000 | – | 15.71% | – | 7.98% |
| Heng Huat Investments Limited | (b) | Interest of controlled corporation | 205,414,000 | – | 29.34% | – | 14.90% |
| Dynamic Win Assets Limited | (b) | Beneficial owner | 205,414,000 | – | 29.34% | – | 14.90% |
| Mongolia Energy Corporation Limited | (c) | Interest of controlled corporation | 84,586,000 | – | 12.08% | – | 6.13% |

| Name of shareholder | Note | Capacity | Interest in non-listed Shares | Interest in H Shares | Approximate | Approximate | Approximate |
|--|------|--|-------------------------------------|-------------------------|---|---|---|
| | | | | | percentage of total number of issued non-listed Shares | percentage of total number of issued H Shares | percentage of total number of issued Shares |
| New View Venture Limited | (c) | Beneficial owner | 84,586,000 | – | 12.08% | – | 6.13% |
| Asian Technology Investment Company Limited | | Beneficial owner | 50,000,000 | – | 7.14% | – | 3.63% |
| Sun Hung Kai Structured Finance Limited | (d) | Person having a security interest in shares | – | 38,117,000 | – | 5.61% | 2.76% |
| Shipspace Investments Limited | (d) | Interest of controlled corporation | – | 38,117,000 | – | 5.61% | 2.76% |
| Sun Hung Kai & Co. Limited | (d) | Interest of controlled corporation | – | 38,117,000 | – | 5.61% | 2.76% |
| Allied Properties (H.K.) Limited | (d) | Interest of controlled corporation | – | 38,117,000 | – | 5.61% | 2.76% |
| Allied Group Limited | (d) | Interest of controlled corporation | – | 38,117,000 | – | 5.61% | 2.76% |
| Lee Seng Hui | (d) | Interest of controlled corporation | – | 38,117,000 | – | 5.61% | 2.76% |
| Lee Su Hwei | (d) | Interest of controlled corporation | – | 38,117,000 | – | 5.61% | 2.76% |
| Lee Seng Huang | (d) | Interest of controlled corporation | – | 38,117,000 | – | 5.61% | 2.76% |

Notes:

- (a) Peking University is taken to be interested in 14.50% of the total issued share capital of the Company through 200 million non-listed Shares (representing approximately 14.50% of the Company's total issued share capital) in which Beijing Rainbow Mountain Sci-Tech Development Co., Ltd. ("Beijing Rainbow Mountain") is interested. Peking University owns 100% equity interest in Beida Asset Management Co., Ltd. which in turn owns 48% equity interest in Beijing Beida Jade Bird Software System Co., Ltd. which in turn owns 100% equity interest in Beida Microelectronics Investment Limited which in turn owns 46% equity interest in Gifted Pillar Limited which in turn owns 100% equity interest in Rainbow Mountain Holdings Limited which in turn owns 100% equity interest in Beijing Rainbow Mountain.
- (b) The non-listed 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 non-listed Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (d) Sun Hung Kai Structured Finance Limited was a wholly-owned subsidiary of Shipshape Investments Limited, a wholly-owned subsidiary of Sun Hung Kai & Co. Limited, which in turn was a non wholly-owned subsidiary of Allied Properties (H.K.) Limited. Allied Properties (H.K.) Limited was a non wholly-owned subsidiary of Allied Group Limited in which Lee Seng Hui, Lee Su Hwei and Lee Seng Huang were the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.95% of the total number of issued shares of Allied Group Limited (inclusive of Lee Seng Hui's personal interests) as at 30 September 2020. Accordingly, all these parties were deemed to have the same long position as Sun Hung Kai Structured Finance 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 2020.

COMPETING INTERESTS

As at 30 September 2020, 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 2020.

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. Tang Xuan, Mr. Li Juncai, Mr. Li Chonghua and Mr. Shen Wei. Mr. Tang Xuan 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 2020 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, 9 November 2020

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 nonexecutive Directors and Mr. Tang Xuan, 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”.