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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)

**KEY FINDINGS OF FORENSIC INVESTIGATION
AND INTERNAL CONTROL REVIEW IN RELATION TO
SUSPECTED MISAPPROPRIATION OF FUNDS
OF SUBSIDIARIES OF THE COMPANY**

Reference is made to the announcements (“**Announcements**”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (“**Company**”) dated 20 June 2025, 23 June 2025 and 24 July 2025 in relation to the suspected misappropriation of funds of the subsidiaries of the Company. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

Background

As set out in the Announcements, the Audit Committee has been authorised to look into the Suspected Misappropriation and see how to improve the internal control system of the Group, including overseeing the Forensic Investigation and the Internal Control Review, and has appointed Cheng & Cheng to conduct the Forensic Investigation and the Internal Control Review.

Cheng & Cheng completed the Forensic Investigation and issued the report on the Forensic Investigation (“**Investigation Report**”). Cheng & Cheng conducted the Internal Control Review, which covered the review period from January 2025 to September 2025, with the key findings of the Internal Control Review, recommendations for rectifications of the Group’s internal control deficiencies (“**Recommendations**”) set out in the report on the Internal Control Review (“**IC Review Report**”). Following completion of the Internal Control Review, Cheng & Cheng conducted a follow-up review (“**Follow-up Review**”) on the Group’s implementation of the Recommendations with its findings set out in the report on the Follow-up Review (“**Follow-up Review Report**”, together with the IC Review Report, the “**IC Reports**”).

Scope and procedures of the Forensic Investigation

The Forensic Investigation included (1) the investigation on whether there was any misappropriation of funds related to the Suspected Misappropriation; (2) a forensic review of the fund management practices of the Company and the Company's other subsidiaries to determine whether the Suspected Misappropriation was an isolated incident; and (3) whether the Suspected Person was the sole suspected. The review period of the Forensic Investigation was from 1 January 2023 to 31 May 2025 ("**Review Period**").

For the purpose of the Forensic Investigation, the procedures performed by Cheng & Cheng included, but not limited to, the following:

- (a) obtaining and reviewing the documents and information of the Group, including but not limited to the internal control policies, financial statements, general ledgers, bank receipts and daily cash reports of the Group, as well as the personnel files of the Suspected Person;
- (b) independently visiting the relevant banks of the Relevant Subsidiaries to obtain the bank statements of the Relevant Subsidiaries for the Review Period as well as the bank account opening checklists of the Relevant Subsidiaries;
- (c) obtaining independent access to the online banking system of the relevant banks of the Relevant Subsidiaries to retrieve the relevant bank statements of the Relevant Subsidiaries for the Review Period;
- (d) conducting interviews with the relevant finance personnel who were involved in the daily fund management and financial reporting of the Relevant Subsidiaries, and those responsible for the Group's treasury operations and financial reporting;
- (e) obtaining confirmation from one of the relevant banks of the Relevant Subsidiaries on the restrictions on the external payments made by the bank, the approval authority settings for corporate online banking of the bank and the rules for handling bank confirmation letters of the bank;
- (f) comparing all independently obtained banking transactions of the Relevant Subsidiaries during the Review Period with the records in the books of the Relevant Subsidiaries;
- (g) comparing and confirming the independently obtained closing balances of all bank accounts of the Relevant Subsidiaries with those disclosed in the financial statements of the Relevant Subsidiaries; and
- (h) conducting independent electronic forensic data evidence collation on the work computers of four finance personnel of the Relevant Subsidiaries using keyword searches to extract data and documentation relevant to the Suspected Misappropriation from the work computers.

Summary of the key findings of the Forensic Investigation

Set out below is a summary of the key findings of the Forensic Investigation:

- (a) during the preparation of documents for the application for new loans by Chuanqi Hunan (a 60% subsidiary of the Company and the immediate holding company of the Relevant Subsidiaries) in late May 2025, the financial controller of Chuanqi Hunan (“**CH Financial Controller**”) discovered that there were differences between the respective bank balances of the Relevant Subsidiaries as at 30 April 2025 as shown in the daily cash report of Chuanqi Hunan and the unaudited statements of financial position of the Relevant Subsidiaries as at 30 April 2025, and accordingly, instructed that enquiries at the relevant banks and internal investigations on such differences to be carried out. Based on the results of such preliminary enquiries and internal investigations, it was discovered that the Suspected Person had withdrawn certain funds from the Relevant Subsidiaries by way of bank transfers during the Relevant Period (i.e. January 2024 to May 2025);
- (b) in June 2025, the Relevant Subsidiaries reported the Suspected Misappropriation to the Nanyue District Public Security Bureau in the PRC (“**Nanyue Bureau**”); and as at the date of the Investigation Report, the Suspected Misappropriation was still under the investigation conducted by the Nanyue Bureau and the Suspected Person was still under the criminal detention of the Nanyue Bureau;
- (c) Cheng & Cheng reviewed the bank statements of the two relevant bank accounts of the Relevant Subsidiaries (“**Relevant Bank Accounts**”) issued during the Review Period and noted that the Suspected Person had misappropriated RMB25,127,000 (“**Misappropriated Funds**”) from the Relevant Bank Accounts through 93 withdrawal transactions (with the highest amount of a single withdrawal transaction being RMB1 million) and 16 deposit transactions, during the period from August 2023 to May 2025. It was noted that the Misappropriated Funds were transferred to the bank accounts of the Suspected Person and four other persons; and RMB1,097,000 were subsequently recovered by the Relevant Subsidiaries. Cheng & Cheng did not identify any other discrepancy between the balances shown on the bank statements and those shown in the books of the Group in respect of other bank accounts of the Relevant Subsidiaries which were then in use;
- (d) to understand why the Suspected Person was able to misappropriate the funds of the Relevant Subsidiaries, Cheng & Cheng examined the fund payment process, the management of bank security tokens (“**Security Tokens**”) and the design and implementation of the relevant internal controls (e.g. verification of bank statements and reconciliation of bank balances etc.) of the Relevant Subsidiaries, and noted that during the Review Period, the Security Token for authorisation purpose (“**Authorisation Token**”) of the Relevant Bank Accounts was in the custody of the Suspected Person, while the Security Token for verification purpose (“**Verification Token**”) of the Relevant Bank Accounts was not kept in safe

custody (such as a safe or a locked drawer) to the extent that the Suspected Person was able to obtain and use the Verification Token, enabling the Suspected Person to effect and complete fund transfers in the Relevant Bank Accounts independently without prior application or approval. It was also noted that the Suspected Person had replaced the name and mobile number of the registered holder of the Verification Token in the online banking system of the banks with which the Relevant Bank Accounts were opened with her own during the Review Period;

- (e) Cheng & Cheng found that the Suspected Person appeared to have fabricated the bank statements and provided such fabricated statements to the relevant department of the Group for the preparation of the financial statements and bank reconciliation statements, and as the Suspected Person was solely responsible for printing the relevant bank statements and preparing the daily cash reports without anyone having to review the same, carefully verify the prior day's closing bank balance against the current day's opening balance or perform any required reconciliation between the daily cash reports and financial statements, the Suspected Misappropriation was left being undiscovered for a long period of time;
- (f) based on the interviews conducted, electronic forensic and review of the relevant documents, it did not come to the notice of Cheng & Cheng that apart from the Suspected Person, the management of Chuanqi Hunan and any other personnel of the finance department of the Relevant Subsidiaries were involved in the Suspected Misappropriation. Apart from the Relevant Subsidiaries, no misappropriation of funds was identified within the Company or the Company's other subsidiaries; and
- (g) Cheng & Cheng was of the view that the continued occurrence and undetected status of the Suspected Misappropriation were due to the following of the Relevant Subsidiaries: (i) the deficiency of the then internal controls; (ii) the lack of financial management policies and inadequate overall workflow configuration; (iii) the failure in the execution of the key controls in respect of the preparation and review of the bank statements; (iv) the failure in the management and control of the Security Tokens; (v) the failure in the review of the daily cash reports; (vi) the absence of personnel responsible for reconciling the daily cash reports with the financial statements; (vii) the ineffective execution of the review and inquiry procedures in relation to the bank confirmation letters; and (viii) the failure of the key management personnel to be alerted to the large number of frequent private bank transfers through notification of the relevant banks.

Key limitations of the Forensic Investigation

Set out below are the key limitations of the Forensic Investigation:

- (a) as some of the finance personnel of the Relevant Subsidiaries who were in employment during the Review Period had subsequently left the Relevant Subsidiaries, Cheng & Cheng was unable to conduct interviews with such personnel to understand the relevant circumstances;
- (b) since the Suspected Person has been under the detention of the Nanyue Bureau, Cheng & Cheng was unable to conduct interview with her to understand the specific circumstances of the Suspected Misappropriation;
- (c) given that the funds misappropriated in the Suspected Misappropriation were transferred from the Relevant Accounts to the bank accounts of the Suspected Person and four other persons, and Cheng & Cheng was unable to obtain the bank statements of the accounts of these individuals, Cheng & Cheng was not able to further trace the flows of the funds misappropriated;
- (d) as up to the date of the Investigation Report, the case of the Suspected Misappropriation was still under investigation by the Nanyue Bureau, Cheng & Cheng was not able to obtain further information about the case from the Nanyue Bureau; and
- (e) as up to the date of the Investigation Report, the banks with which the Relevant Bank Accounts were opened have not yet provided detailed operation logs of the Relevant Bank Accounts, Cheng & Cheng was unable to obtain information from the official records provided by the relevant banks regarding the specific circumstances of the fund transfers effected by the Suspected Person in relation to the Suspected Misappropriation.

View of the Audit Committee and the Board on the Forensic Investigation

The Audit Committee and the Board have reviewed and considered the content and the findings of the Forensic Investigation in the Investigation Report. The Audit Committee and the Board were of the view that the content and the findings of the Forensic Investigation in the Investigation Report were reasonable and acceptable, and they accordingly accepted the findings of the Forensic Investigation in the Investigation Report.

Scope and procedures of the Internal Control Review

The scope of the Internal Control Review included the assessment of the design and effectiveness of the Group's internal control system, covering areas of the Group's corporate governance, financial reporting and disclosure, cash and bank payment management, and the auditor's bank confirmation procedures.

The following procedures were conducted for the purpose of the Internal Control Review:

- (a) Cheng & Cheng conducted a review of the Group's internal control system. A walkthrough test was performed on the Group's internal control system, and control evaluations were carried out for each operational cycle during the Review Period to assess the effectiveness of the Group's internal control system.
- (b) Cheng & Cheng consulted with the management and the relevant process owners of the Group to understand the Group's existing procedures, systems and control measures, and to determine whether they complied with the requirements as prescribed under the GEM Listing Rules. With respect to the key areas, Cheng & Cheng also conducted compliance testing to assess the design and operational effectiveness of the Group's internal control system.
- (c) Cheng & Cheng analysed and reviewed the financial and operational manuals provided by the Group, and through observing the actual business operations of the Group, identified whether there were discrepancies between the actual practices and the prescribed procedures. Furthermore, Cheng & Cheng provided recommendations to the Group for improving the deficiencies identified in the Group's existing system, amending documented operational procedures and strengthening the existing internal control framework.
- (d) Cheng & Cheng performed testing on the Group's internal control activities to identify potential deficiencies and their impact on the Group.

Summary of the key findings of the Internal Control Review

Set out below is a summary of the key findings of the Internal Control Review and the Follow-up Review with risk level reaching "Medium" or "High", the corresponding Recommendations and the remediation status:

1. Lack of bank account reconciliation control

Cheng & Cheng noted that the finance department of Chuanqi Hunan ("**Chuanqi Finance Department**") failed to conduct routine bank account reconciliation prior to the discovery of the Suspected Misappropriation.

Recommendation:

A periodic bank account reconciliation system with traceable records shall be established for Chuanqi Hunan. The reconciliation results and irregularities shall be reported via email to the accounting supervisor of the finance department of the Company who is responsible for the consolidated financial statements of the Company for recordkeeping, so as to ensure the accuracy and traceability of financial data.

Remediation status:

In July 2025, Chuanqi Hunan implemented remedial measures, including requiring the finance manager or the accounting supervisor responsible for preparing the financial statements to log into the online banking system of the relevant bank using the Security Token for verification purpose before month-end closing, so as to reconcile the bank balances shown in the bank's records with the bank balances in Chuanqi Hunan's accounts. The reconciliation results and any irregularities shall be reported via email to the Group's consolidated financial reporting department for recordkeeping.

2. Failure to review the daily cash reports

According to the relevant internal guidelines at the relevant time, the cashiers of Chuanqi Hunan and its five controlled subsidiaries are required to prepare daily cash reports and send them via email or WeChat to the financial controller, copying the finance manager, accounting supervisor and the deputy finance manager for verification and review.

Cheng & Cheng noted that no evidence was found indicating that the emails and the daily cash reports attached thereto sent by the Suspected Person, being the cashier of the Relevant Subsidiaries, in March, June and September in 2023 and from January 2024 to April 2025 (which were copied to the financial controller, two finance managers (one of them being also an assistant to the financial controller) and two deputy finance managers), had been reviewed.

Recommendation:

Chuanqi Hunan shall include a new section relating to "Daily Cash Report Management" in its Cash Management Policy, pursuant to which the reviewer shall be an accounting supervisor, finance manager or accounting staff who is not directly involved in cash receipt or payment, and the daily cash reports shall be submitted and verified on the same day as their preparation, with verification including the following:

1. **Authenticity of data sources:** Verify that data used to prepare the daily cash reports are derived from "official bank statements" and "actual cash counts", not based on manual estimates made by the preparer of the daily cash reports.
2. **Accuracy of calculations:** Validate that the formula "Ending balance = Previous day's balance + Receipts – Payments" is correct and the total receipts and payments are accurate.
3. **Completeness of details:** Ensure that all bank accounts (basic, general etc.) and all receipts and payments passing through the cash accounts are included without omissions.
4. **Identification of anomalies:** Ensure that "large unreconciled items" or "unusual receipts and payments" (e.g. transfers from/to unknown accounts) are highlighted and explained.

Chuanqi Hunan shall also assign additional finance staff to verify the daily cash reports by comparing the ledger balances with the online banking records. Reviewers shall cross-check the online banking details with the cashier and sign off the reports after accuracy is confirmed. Supporting documents such as online banking screenshots should be kept as the basis for the reviewer's approval.

Remediation status:

In July 2025, Chuanqi Hunan has set down in its latest Work Content Statistics Sheet for its finance personnel the requirement that for the purpose of the review and verification of daily cash reports, the cashier shall be responsible for preparing daily cash reports and reporting them to the finance manager. In November 2025, Chuanqi Hunan included a new section relating to "Daily Cash Report Management" in its Cash Management Policy and issued a notice to inform its staff about this new addition. It has also been confirmed that the finance manager has been checking the balance in the daily cash reports with the daily balance notified by the bank via SMS or by logging into the online banking system using the Verification Token. After verifying that the account balance is correct, the cashier sends the daily cash reports to the financial controller and the deputy finance manager for verification via email.

3. Lack of effective segregation of the Security Tokens

Cheng & Cheng found that the duties of the cashier for all subsidiaries of Chuanqi Hunan were all taken up by the Suspected Person; and from January 2023 to June 2025, the Authorisation Token and the Verification Token of the Relevant Bank Accounts were all kept solely by the Suspected Person.

Recommendation:

Chuanqi Hunan shall strictly enforce segregation of duties in relation to the management of the Security Tokens as follows:

- the Authorisation Token shall be kept by the cashier;
- the Verification Token shall be kept by the finance manager; and
- both the Authorisation Token and the Verification Token shall be stored in a designated safe or locked drawer with adequate security measures in place and unauthorised storage or custody by non-designated personnel strictly prohibited.

Remediation status:

In July 2025, Chuanqi Hunan has established documentation in relation to various matters, including the duties of the finance personnel and the management of the Security Tokens (being confirmed by the finance personnel with their signatures), which provides that the management of the Authorisation Tokens and the Security Tokens shall be separate, i.e. the Authorisation Token shall be kept by the cashier while the Verification Token shall be kept by the finance manager.

4. Non-activation of the banks' SMS notification function relating to bank transfers

Cheng & Cheng found that the relevant banks' SMS notification function relating to bank transfers was only activated by the Suspected Person, but not also by the management of the Relevant Subsidiaries.

Recommendation:

The key management personnel of Chungqi Hunan (e.g. its finance managers and accounting supervisor) shall timely activate the relevant banks' function of SMS notification in relation to bank transfers to ensure their timely awareness of changes in the funds in the bank accounts so as to prevent unauthorised fund transfers.

Remediation status:

The financial controller, accounting supervisor and finance manager of Chuanqi Hunan and its subsidiaries have all activated the relevant banks' SMS notification function in relation to bank transfers.

5. Absence of monitoring measures for change of information relating to the Security Tokens

Cheng & Cheng noted that as the relevant banks' SMS notification function had only been activated by the Suspected Person, no SMS notification was sent by the relevant banks to alert the management of the Relevant Subsidiaries after the Suspected Person replaced the name and mobile number of the registered holder of the Verification Token with her own in the online banking system of the relevant banks.

Cheng & Cheng also noted that in respect of the basic information relating to the Security Tokens registered with the relevant banks in their online banking systems, the mobile number registered with the relevant banks could be changed directly with the input of the password of the relevant Security Token and no specific monitoring mechanism for change of information relating to the Security Tokens registered with the relevant banks have been established by the Group.

Recommendation:

The Group shall establish an approval procedure for changing the information relating to the Security Tokens registered with the relevant banks in their online banking systems to the effect that when replacing the holders of the Security Tokens, the finance manager shall notify the directors of the relevant member of the Group and obtain approval for such replacement.

The Group shall also formulate and issue written measures for changing the information relating to the Security Tokens registered with the relevant banks as soon as possible, requiring the finance manager to conduct at least two unscheduled inspections every six months, comparing the information of all Security Tokens under the name of the relevant member of the Group registered with the relevant banks, against the information of the personnel who have actual custody of the Security Tokens, to ensure that they are completely consistent; and after each inspection, a written record should be prepared and retained, which should include the inspection date, the number of the Security Tokens inspected, the name of the relevant bank, the inspection results (matched/not matched and explanation for the discrepancies), the rectification measures (if any) and the signature of the inspector.

Remediation status:

In November 2025, the Group implemented and issued the Supervisory Measures for Changes of Information of Bank Security Tokens, which provides that:

- when a holder of the Security Token is to be replaced, the finance manager shall notify the directors of the relevant member of the Group about the proposed replacement and submit the information on the successor candidate for approval; and
- the Group shall request the finance managers to conduct at least two unscheduled inspections every six months to verify that all registered information relating to the Security Tokens matches that of the actual custodians.

6. Failure to review the bank reconciliation statements

Cheng & Cheng revealed that the accounting staff of the Relevant Subsidiaries processed the daily transactions based on tampered bank receipts and statements, without verifying and checking them against the original vouchers, original bank statements, prior months' reconciliations and other supporting evidence.

Recommendation:

The accounting supervisor of Chuanqi Hunan shall send monthly bank reconciliation statements to the finance manager by email for review. The finance manager shall in turn follow up on the discrepancies (if any) and, if necessary, obtain the bank statements independently to verify the truthfulness and accuracy of the cash balances shown on the bank reconciliation statements. The reconciliation statements shall then be approved by the financial controller.

Remediation status:

Since June 2025, the accounting supervisor of Chuanqi Hunan has started to prepare monthly bank reconciliation statements and submit the same to the finance manager for review. The finance manager independently logs into the online banking system of the relevant bank with the Verification Token, prints out the official bank statements and verifies the bank balances. After verification, the bank reconciliation statements are confirmed by the finance manager by signing before it is submitted to the financial controller for signing and approval.

7. Payments processed without complete supporting documentation

Cheng & Cheng was unable to obtain supporting documents (such as contracts, invoices or acceptance reports) of Chuanqi Hunan which were relied on by the deputy finance manager and the cashier for approving expenditures in 2023 and 2024; and accordingly, it could not confirm whether proper payment approval procedures of Chuanqi Hunan were followed.

Recommendation:

Chuanqi Hunan shall revise its Fund Management Policy to include an appendix setting out the supporting documents required for each type of expenditure (e.g. procurement, reimbursements and prepayments). The cashiers and the approvers of the payments shall verify the original documents such as contracts, invoices and acceptance reports prior to making the payments and archive such documents electronically.

Remediation status:

In November 2025, Chuanqi Hunan issued the Financial Payment Procedures, which specify the supporting documents required for payment application and approval. The procedures also require the cashier and the finance staff responsible for fund disbursements to electronically share and retain all supporting documents. Chuanqi Hunan has issued a notice to its finance personnel to inform them about these procedures.

8. Failure to implement the review responsibilities relating to the bank confirmation letters

Cheng & Cheng noted that the finance manager (also an assistant to the financial controller) of Chuanqi Hunan (“**CH Finance Manager**”) had delegated all the work relating to bank confirmation letters for the audit of the Company’s consolidated financial statements for the two years ended 31 December 2024 to the Suspected Person and did not review the relevant bank confirmation letters as required under the procedures of Chuanqi Hunan.

Recommendation:

Chuanqi Hunan shall strengthen the training dedicated to its finance managers, emphasising the responsibilities in the bank confirmation process, including the scope of review, procedures and accountability, so as to ensure that all finance managers fully understand their duties and will be capable of performing the same.

Remediation status:

Chuanqi Hunan has provided a number of specialised trainings to its finance managers and the staff of its finance department, focusing particularly on the responsibilities related to bank confirmation letters, including the scope of review, operational standards and extent of responsibilities, to ensure that the finance managers clearly understand their job requirements and will be capable of fulfilling the same. In addition, Chuanqi Hunan had initiated an investigation against the CH Finance Manager, who was placed on unpaid leave on 21 June 2025, and the employment of the CH Finance Manager was subsequently terminated on 5 November 2025.

Cheng & Cheng concluded that following the discovery of the Suspected Misappropriation, the Group implemented the remediation measures in accordance with the Recommendations to prevent recurrence of the incident. The Suspected Misappropriation was an isolated incident, with no similar incident found in the Company and the Company's other subsidiaries. Cheng & Cheng confirmed that the Recommendations were thoroughly executed, with no major internal control issues being found.

View of the Audit Committee and the Board on the IC Reports

Having considered the IC Reports, both the Audit Committee and the Board (a) agreed with the key findings of the Internal Control Review as well as the Recommendations; and (b) were of the view that the enhanced internal control measures implemented and to be implemented by the Group are adequate and sufficient to address the issues set out in the IC Reports. The Group will continue to implement the Recommendations and enhance the Group's internal controls in respect of the overall management and operations of the Group.

On behalf of the Board
Beijing Beida Jade Bird Universal Sci-Tech Company Limited
Zheng Zhong
Chairman

Beijing, the PRC
24 November 2025

As at the date of this announcement, Ms. Zheng Zhong, Mr. Wang Xingye, Mr. Liu Ziyi and Ms. Guan Xueming are the executive Directors, Mr. Cao Jun is the non-executive Director, and Mr. Tang Xuan, Mr. Shen Wei and Ms. Liu Zhangchi are the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 herein or this announcement misleading.

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