



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 2019

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

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

THIRD QUARTERLY RESULTS (UNAUDITED)

The board of the Directors (the “Board”) announced the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 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 nine months ended 30 September 2019

| | Note | Three months ended 30 September | | Nine months ended 30 September | |
|---|------|------------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| | | 2019 RMB'000 | 2018 RMB'000 (Restated) | 2019 RMB'000 | 2018 RMB'000 (Restated) |
| Continuing operations | | | | | |
| Revenue | 3 | 56,485 | 53,149 | 121,269 | 121,381 |
| Cost of sales and services | | (14,946) | (14,648) | (38,979) | (37,606) |
| Gross profit | | 41,539 | 38,501 | 82,290 | 83,775 |
| Other gains and income | 4 | 99 | (15) | 657 | 898 |
| Distribution costs | | (215) | (234) | (711) | (879) |
| Administrative expenses | | (12,594) | (14,550) | (36,939) | (41,480) |
| Other expenses | | (183) | 45 | (711) | (784) |
| Finance costs | 5 | (801) | (1,456) | (4,398) | (1,822) |
| Share of profits/(losses) of associates | | 29,858 | (2,950) | 24,457 | 45,594 |
| Share of losses of joint ventures | | (166) | (374) | (941) | (672) |
| Profit before tax | | 57,537 | 18,967 | 63,704 | 84,630 |
| Income tax expense | 6 | (8,225) | (6,889) | (14,966) | (14,990) |
| Profit for the period from continuing operations | | 49,312 | 12,078 | 48,738 | 69,640 |
| Discontinued operations | | | | | |
| Profit for the period from discontinued operations | 9 | 854,750 | 120,851 | 988,987 | 250,317 |
| Profit for the period | | 904,062 | 132,929 | 1,037,725 | 319,957 |
| Other comprehensive income after tax: | | | | | |
| <i>Items that may be reclassified to profit or loss:</i> | | | | | |
| Exchange differences on translating foreign operations | | 6,691 | 25,548 | 14,301 | 28,168 |
| Reclassification of foreign currency translation reserve to profit or loss upon deemed disposal of subsidiaries | | 1,776 | – | 1,776 | – |
| | | 8,467 | 25,548 | 16,077 | 28,168 |

| | <i>Note</i> | Three months ended 30 September | | Nine months ended 30 September | |
|--|-------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
| | | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) |
| <i>Items that will not reclassified to profit or loss:</i> | | | | | |
| Fair value changes of financial assets at fair value through other comprehensive income ("FVTOCI") | | 2,240 | (5,991) | 6,296 | (17,558) |
| Share of other comprehensive income of associates | | 1,861 | – | 1,861 | – |
| Share of other comprehensive income of joint ventures | | 23 | (2,026) | 45 | (2,014) |
| | | <u>4,124</u> | <u>(8,017)</u> | <u>8,202</u> | <u>(19,572)</u> |
| Other comprehensive income for the period, net of tax | | <u>12,591</u> | <u>17,531</u> | <u>24,279</u> | <u>8,596</u> |
| Total comprehensive income for the period | | <u>916,653</u> | <u>150,460</u> | <u>1,062,004</u> | <u>328,553</u> |
| Profit for the period from continuing operations attributable to: | | | | | |
| Owners of the Company | | 40,578 | 4,215 | 35,039 | 55,634 |
| Non-controlling interests | | 8,734 | 7,863 | 13,699 | 14,006 |
| | | <u>49,312</u> | <u>12,078</u> | <u>48,738</u> | <u>69,640</u> |
| Profit for the period from continuing and discontinued operations attributable to: | | | | | |
| Owners of the Company | | 874,565 | 67,391 | 938,915 | 186,665 |
| Non-controlling interests | | 29,497 | 65,538 | 98,810 | 133,292 |
| | | <u>904,062</u> | <u>132,929</u> | <u>1,037,725</u> | <u>319,957</u> |
| Total comprehensive income for the period attributable to: | | | | | |
| Owners of the Company | | 887,749 | 81,239 | 959,175 | 192,299 |
| Non-controlling interests | | 28,904 | 69,221 | 102,829 | 136,254 |
| | | <u>916,653</u> | <u>150,460</u> | <u>1,062,004</u> | <u>328,553</u> |
| | | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> |
| Earnings per share | | | | | |
| 7 | | | | | |
| From continuing and discontinued operations | | | | | |
| Basic and diluted (cents per share) | | <u>63.43</u> | 4.89 | <u>68.10</u> | <u>13.54</u> |
| From continuing operations | | | | | |
| Basic and diluted (cents per share) | | <u>2.94</u> | 0.31 | <u>2.54</u> | <u>4.04</u> |

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended 30 September 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 | - | - | - | 25,207 | (19,573) | - | 186,665 | 192,299 | 136,254 | 328,553 |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - | 1,221 | 1,221 |
| Appropriation of safety production fund | - | - | - | - | - | (81) | 81 | - | - | - |
| Capital contribution from non-controlling interests | - | - | - | - | - | - | - | - | 5,065 | 5,065 |
| Share of transfer of reserves of joint ventures | - | - | - | - | 3,152 | - | (3,152) | - | - | - |
| Transfer of gain on disposal of financial assets at FVTOCI | - | - | - | - | (1,287) | - | 1,287 | - | - | - |
| Changes in equity for the period | - | - | - | 25,207 | (17,708) | (81) | 184,881 | 192,299 | 142,540 | 334,839 |
| Balance at 30 September 2018 | <u>137,872</u> | <u>562,519</u> | <u>149,610</u> | <u>(34,059)</u> | <u>114,884</u> | <u>16,214</u> | <u>1,013,600</u> | <u>1,960,640</u> | <u>862,447</u> | <u>2,823,087</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 | - | - | - | 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> |

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 Company is engaged in the marketing and sale of embedded system products and related products. The principal activities of its subsidiaries are the development of travel and leisure business, investment holding and production and sales of wine and related products.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 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 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 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. TURNOVER

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 30 September | | Nine months ended 30 September | |
|---|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
| | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) |
| Revenue from contracts with customers within the scope of HKFRS 15 | | | | |
| Disaggregated by major products or service lines | | | | |
| – Rendering of travel and leisure services | 53,284 | 46,642 | 113,120 | 110,418 |
| – Sales of wine and related products | 3,201 | 2,889 | 8,149 | 7,345 |
| – Management fee income | – | 3,618 | – | 3,618 |
| | <u>56,485</u> | <u>53,149</u> | <u>121,269</u> | <u>121,381</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 September | | Nine months ended 30 September | |
|---|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
| | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) |
| Bank interest income | 31 | 32 | 197 | 186 |
| Government grants | 36 | 14 | 36 | 168 |
| Reversal of allowance for doubtful other receivables | – | (62) | – | 506 |
| Others | 32 | 1 | 424 | 38 |
| | <u>99</u> | <u>(15)</u> | <u>657</u> | <u>898</u> |

5. FINANCE COSTS

| | Three months ended 30 September | | Nine months ended 30 September | |
|---|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
| | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) |
| Interest on bank and other loans and lease liabilities | 1,309 | 407 | 4,121 | 1,013 |
| Net foreign exchange (gain)/loss | (508) | 1,049 | 277 | 809 |
| | 801 | 1,456 | 4,398 | 1,822 |

6. INCOME TAX EXPENSE

| | Three months ended 30 September | | Nine months ended 30 September | |
|--------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
| | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) | 2019 <i>RMB'000</i> | 2018 <i>RMB'000</i> (Restated) |
| Current tax | | | | |
| Provision for the period | | | | |
| PRC | 8,225 | 6,888 | 14,964 | 14,981 |
| The United States | – | 1 | 2 | 9 |
| | 8,225 | 6,889 | 14,966 | 14,990 |

No provision for Hong Kong Profits Tax is required for the nine months ended 30 September 2019 and 2018 since the Group has no assessable profit for the periods.

Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the country in which the Group operates, based on existing legislation, interpretations, and practices in respect thereof.

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% (2018: 25%).

7. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic earnings per share from continuing operations and from continuing and discontinued operations attributable to owners of the Company for the three months ended 30 September 2019 is based on the profit for the period attributable to owners of the Company of RMB40,578,000 (2018: RMB4,215,000) and RMB874,565,000 (2018: RMB67,391,000) respectively 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 three months ended 30 September 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 from continuing operations and from continuing and discontinued operations attributable to owners of the Company for the nine months ended 30 September 2019 is based on the profit for the period attributable to owners of the Company of RMB35,039,000 (2018: RMB55,634,000) and RMB938,915,000 (2018: RMB186,665,000) respectively 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 nine months ended 30 September 2019 and 2018. 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 2019 (2018: Nil).

9. DISCONTINUED OPERATIONS

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 (the “SME 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 8 August 2019, Jade Bird Fire Alarm 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 Alarm was listed on the SME Board of the Shenzhen Stock Exchange on 9 August 2019, with stock name “青島消防” (Jade Bird Fire Alarm*) and 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 8 August 2019, the equity interest of the Company in Jade Bird Fire Alarm was diluted from 51.02% to 38.27%. Jade Bird Fire Alarm 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 Alarm 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 Alarm was presented as discontinued operations in the condensed consolidated financial statements of the Company for the nine months ended 30 September 2019. The comparative figures for the nine months ended 30 September 2018 in these condensed consolidated financial statements have also been restated to present Jade Bird Fire Alarm as discontinued operations. Financial information relating to the discontinued operations for the period to the date of disposal is set out below. The financial performance presented are for the period from 1 January 2019 to 8 August 2019 (2019 column) and the nine months period ended 30 September 2018.

| | Three months ended | | Nine months ended | |
|---|--------------------|----------------|-------------------|----------------|
| | 30 September | | 30 September | |
| | 2019 | 2018 | 2019 | 2018 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue | 203,181 | 523,334 | 1,111,446 | 1,227,953 |
| Cost of sales and services | (105,602) | (301,241) | (656,458) | (698,185) |
| Gross profit | 97,579 | 222,093 | 454,988 | 529,768 |
| Other gains and income | 1,047 | 7,511 | 9,265 | 16,117 |
| Impairment loss on trade and other receivables | (5,721) | (15,088) | (31,004) | (38,582) |
| Distribution costs | (20,098) | (33,350) | (98,436) | (92,082) |
| Administrative expenses | (7,745) | (17,527) | (50,469) | (48,982) |
| Other expenses | (10,258) | (21,762) | (63,069) | (58,964) |
| Finance costs | (920) | 2,247 | (4,228) | (5,126) |
| Share of losses of associates | (93) | (895) | (2,015) | (3,742) |
| Profit before tax | 53,791 | 143,229 | 215,032 | 298,407 |
| Income tax expense | (9,112) | (22,378) | (36,116) | (48,090) |
| Profit after tax from discontinued operations | 44,679 | 120,851 | 178,916 | 250,317 |
| Gain on deemed disposal of subsidiaries | 810,071 | – | 810,071 | – |
| Profit from discontinued operations | 854,750 | 120,851 | 988,987 | 250,317 |

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

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

During the period under review, the Group discontinued its sale of electronic fire equipment business upon the completion of the listing of shares of Jade Bird Fire Alarm on the SME Board of the Shenzhen Stock Exchange. Jade Bird Fire Alarm ceased to be a non-wholly owned subsidiary of the Company and became an associate of the Group.

The Group's tourism development segments continued to be the core source of revenue. The Group's revenue and gross profit from continuing operations for the nine months ended 30 September 2019 remained steady at approximately RMB121.3 million (2018: RMB121.4 million) and approximately RMB82.3 million (2018: RMB83.8 million) respectively. During the reporting period, profit from continuing operations attributable to the owners of the Company decreased 37.1% year-on-year to approximately RMB35.0 million (2018: RMB55.6 million). The decrease was mainly attributable to the decrease in share of profits of associates from approximately RMB45.6 million in 2018 to approximately RMB24.4 million in 2019 mainly as a result of recognition of income from the property development project in the PRC by the Group's associate during the nine months ended 30 September 2018. Profit from continuing operations and discontinued operations attributable to the owners of the Company increased by 402.9% to approximately RMB938.9 million (2018: RMB186.7 million), because of the recognition of the gain on deemed disposal of Jade Bird Fire Alarm of approximately RMB810.1 million upon the completion of the Proposed A Share Listing of Jade Bird Fire Alarm.

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 nine months ended 30 September 2019, the Group's tourism development business recorded revenue of approximately RMB113.1 million (2018: RMB110.4 million), representing an increase by 2.4% when compared with the corresponding year of 2018. Such increase was in line with the steady growth of the number of tourists and pilgrims to Hengshan Mountain scenic area. The service utilisation rate of the Group's environmental bus service remained stable at 92%.

During the period under review, Chuanqi Tourism Investments Co., Ltd. ("Chuanqi Tourism"), 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 under construction situated at Tianzhishan Nanyue Legend Town, Nanyue District, Hengyang, Hunan, the PRC (the "Property") at the consideration of RMB39,655,700. The Property would be used for administrative and office use of Chuanqi Tourism.

Investment holding

As at 30 September 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. For the nine months ended 30 September 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

Look ahead, Hengshan Mountain scenic area is a developed tourism attraction, which is expected to maintain a stable number of tourists and performance of the Group's tourism development business during the rest of 2019. Regarding the investment holding business, in view of the recent uncertainties of global economic environment and volatile asset prices, the Group would continue to explore investment projects with promising development potential in a prudent manner and carefully assess investment opportunities in the market.

USE OF PROCEEDS FROM PLACINGS UNDER GENERAL MANDATE

In respect of the placing completed on 6 February 2017 and following the change of use of proceeds on 29 March 2018, approximately 88% of net proceeds from the placing would be applied to potential acquisitions and/or development of new businesses; and approximately 12% of the net proceeds from the placing would be applied as working capital of the Group. Details of the above were disclosed in the announcements of the Company dated 11 January 2017, 6 February 2017, 1 December 2017 and 29 March 2018. As at 30 September 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.

DISCLOSURE UNDER RULE 17.24 OF THE GEM LISTING RULES

As at 30 September 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 RMB523,400,000 in total, which exceeds 8% in the asset ratio as defined under Rules 19.07(1) of the GEM Listing Rules. Details on the financial assistance and guarantee as at 30 September 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 Enterprise | 190,000 <i>(note 2)</i> |
| Jade Bird Fire Alarm | 100,000 <i>(note 3)</i> |
| | <hr/> |
| | 523,400 |

Notes:

1. The amount includes (i) a guarantee of RMB200,000,000 to two banks by the Company; and (ii) an interest-free and unsecured shareholder's loan of RMB33,400,000 from Chuanqi Tourism, a non-wholly owned subsidiary of the Company to Songya Lake Construction. The total amount of the facilities from the two banks 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.
3. 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 Alarm is RMB100,000,000. Jade Bird Fire Alarm, a former subsidiary of the Company, became an associate upon the completion of the listing of its shares on the SME Board of the Shenzhen Stock Exchange in August 2019.

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 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 <i>RMB'000</i> | Group's attributable interests <i>RMB'000</i> |
|-------------|--|--|
| Assets | 7,363,797 | 2,419,990 |
| Liabilities | <u>(4,280,766)</u> | <u>(1,275,876)</u> |
| Net assets | <u>3,083,031</u> | <u>1,144,114</u> |

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

As at 30 September 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 promoters | | Number of Shares held | Approximate | Approximate percentage of the issued H Shares | Approximate percentage of the issued Shares |
|--------------------|---|-----------------------|-------------------------|-----------------------|---|---|---|
| | | Shares held (Note) | Number of H Shares held | | percentage of the issued promoters Shares | | |
| Director | | | | | | | |
| Mr. Zhang Wanzhong | Beneficial owner and beneficiary of trust | 205,414,000 | - | 205,414,000 | 29.34% | - | 14.90% |
| Supervisor | | | | | | | |
| Ms. Zhou Min | Beneficiary of trust | 205,414,000 | - | 205,414,000 | 29.34% | - | 14.90% |

Note:

The above Directors and Supervisors are taken to be interested in the issued share capital of the Company through their respective interests as beneficiaries, among other beneficiaries, of Heng Huat trust (“Heng Huat Trust”). By a declaration of Heng Huat Trust made as a deed on 19 July 2000, Mr. Xu Zhendong, Mr. Zhang Wanzhong and Ms. Liu Yue (who has been replaced by Mr. Xu Zhixiang since 9 May 2003 as a trustee) declared that they held the shares of Heng Huat Investments Limited (“Heng Huat”) as trustees for the benefits of over 300 employees of Beijing Beida Jade Bird Software System Co., Ltd. (“Jade Bird Software”), Beijing Beida Jade Bird Limited (“Beida Jade Bird”) and Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd. and their respective subsidiaries and associated companies and the Company. Heng Huat is beneficially interested in the entire issued share capital of Dynamic Win Assets Limited (“Dynamic Win”), and is taken to be interested in 205,414,000 shares of the Company which Dynamic Win is interested. Mr. Xu Zhendong, Mr. Zhang Wanzhong and Mr. Xu Zhixiang (who replaced Ms. Liu Yue as a trustee on 9 May 2003 upon Ms. Liu Yue’s resignation as a trustee on the same date) are trustees holding 60, 20 and 20 shares out of 100 shares in the issued share capital of Heng Huat. Each of Mr. Xu Zhendong and Mr. Xu Zhixiang was former Director who resigned on 5 May 2015.

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules as at 30 September 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 September 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 | Note | Capacity | Number of promoters Shares held | Number of H Shares held | Number of Shares held | Approximate percentage of the issued promoters Shares | Approximate percentage of the issued H Shares | Approximate percentage of the issued Shares |
|--|------|------------------------------------|---------------------------------|-------------------------|-----------------------|---|---|---|
| 1. Peking University | (a) | Interest of controlled corporation | 200,000,000 | - | 200,000,000 | 28.57% | - | 14.50% |
| 2. Beida Asset Management Co., Ltd. | (a) | Interest of controlled corporation | 200,000,000 | - | 200,000,000 | 28.57% | - | 14.50% |
| 3. Beijing Beida Jade Bird Software System Co., Ltd. | (a) | Interest of controlled corporation | 200,000,000 | - | 200,000,000 | 28.57% | - | 14.50% |
| 4. Beijing Beida Jade Bird Limited | (a) | Beneficial owner | 115,000,000 | - | 115,000,000 | 16.43% | - | 8.34% |

| Name of shareholder | Note | Capacity | Number of promoters Shares held | Number of H Shares held | Number of Shares held | Approximate | Approximate | Approximate |
|---|------|---|---------------------------------------|-------------------------------|-----------------------------|--|---|---------------------------------------|
| | | | | | | percentage of the issued promoters Shares | percentage of the issued H Shares | percentage of the issued Shares |
| 5. Beida Microelectronics Investment Limited | (a) | Interest of controlled corporation | 85,000,000 | – | 85,000,000 | 12.14% | – | 6.16% |
| 6. Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd | (a) | Interest of controlled corporation | 85,000,000 | – | 85,000,000 | 12.14% | – | 6.16% |
| 7. Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd | (a) | Beneficial owner | 85,000,000 | – | 85,000,000 | 12.14% | – | 6.16% |
| 8. Grand East (H.K.) Limited | | Beneficial owner | 110,000,000 | – | 110,000,000 | 15.71% | – | 7.98% |
| 9. Heng Huat Investments Limited | (b) | Interest of controlled corporation | 205,414,000 | – | 205,414,000 | 29.34% | – | 14.90% |
| 10. Dynamic Win Assets Limited | (b) | Beneficial owner | 205,414,000 | – | 205,414,000 | 29.34% | – | 14.90% |
| 11. Mongolia Energy Corporation Limited | (c) | Interest of controlled corporation | 84,586,000 | – | 84,586,000 | 12.08% | – | 6.13% |
| 12. New View Venture Limited | (c) | Beneficial owner | 84,586,000 | – | 84,586,000 | 12.08% | – | 6.13% |
| 13. Asian Technology Investment Company Limited | | Beneficial owner | 50,000,000 | – | 50,000,000 | 7.14% | – | 3.63% |
| 14. Sun Hung Kai Structured Finance Limited | | Person having a security interest in shares | – | 38,117,000 | 38,117,000 | – | 5.61% | 2.76% |

| Name of shareholder | Note | Capacity | Number of promoters Shares held | Number of H Shares held | Number of Shares held | Approximate | Approximate | Approximate |
|--------------------------------------|------|------------------------------------|---------------------------------|-------------------------|-----------------------|---|-----------------------------------|---------------------------------|
| | | | | | | percentage of the issued promoters Shares | percentage of the issued H Shares | percentage of the issued Shares |
| 15. Shipshape Investments Limited | (d) | Interest in controlled corporation | - | 38,117,000 | 38,117,000 | - | 5.61% | 2.76% |
| 16. Sun Hung Kai & Co. Limited | (d) | Interest of controlled corporation | - | 38,117,000 | 38,117,000 | - | 5.61% | 2.76% |
| 17. Allied Properties (H.K.) Limited | (d) | Interest of controlled corporation | - | 38,117,000 | 38,117,000 | - | 5.61% | 2.76% |
| 18. Allied Group Limited | (d) | Interest of controlled corporation | - | 38,117,000 | 38,117,000 | - | 5.61% | 2.76% |
| 19. Lee Seng Hui | (d) | Interest of controlled corporation | - | 38,117,000 | 38,117,000 | - | 5.61% | 2.76% |
| 20. Lee Su Hwei | (d) | Interest of controlled corporation | - | 38,117,000 | 38,117,000 | - | 5.61% | 2.76% |
| 21. Lee Seng Huang | (d) | Interest of controlled corporation | - | 38,117,000 | 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 the following companies:
- (i) 115 million promoters Shares (representing approximately 8.34% of the Company's total issued share capital) held by Beida Jade Bird, which is 46% beneficially owned by Jade Bird Software. Jade Bird Software is 48% beneficially owned by Beida Asset Management Co., Ltd., a wholly owned subsidiary of Peking University;
 - (ii) 85 million promoters Shares (representing approximately 6.16% of the Company's total issued share capital) in which Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd. ("Haikou Jade Bird") is interested. Jade Bird Software owns 100% equity interest in Beida Microelectronics Investment Limited which in turn owns 46% equity interest in Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd which in turn owns 100% equity interest in Haikou Jade Bird; and
 - (iii) Mr. Zhang Wanzhong is a supervisor of Beida Jade Bird.
- (b) The promoters Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat. Please refer to the note to the section "Directors, Supervisors' and chief executives' interests and short positions in shares and underlying shares" above for further details of Heng Huat.
- (c) The promoters Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (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 2019. 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 2019.

COMPETING INTERESTS

As at 30 September 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.

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 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 third quarterly results report for the nine months ended 30 September 2019 and concluded the meeting with agreement to the contents of the third quarterly results report.

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

Beijing, the PRC, 7 November 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".

* For identification only