
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Beijing Beida Jade Bird Universal Sci-Tech Company Limited (“**Company**”), you should at once hand this circular and the form of proxy for the special general meeting of the Company to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**(1) VERY SUBSTANTIAL TRANSACTION:
DISPOSAL OF 7.96% EQUITY INTEREST
IN JADE BIRD FIRE CO., LTD;
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of the Company to be held at 10:30 a.m. on Wednesday, 29 March 2023 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC are set out on pages SGM-1 to SGM-3 of this circular. The form of proxy for use at the special general meeting of the Company is also enclosed with this circular.

Whether or not you are able to attend the special general meeting of the Company, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon. For holders of H Shares, you are required to return the form(s) of proxy to the Company's H share registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. For holders of Non-listed Shares, you are required to return the form(s) of proxy to the principal place of business of the Company in Beijing at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC. Whether you are holders of H Shares or Non-listed Shares, you are required to return the form of proxy by 10:30 a.m. on Tuesday, 28 March 2023 or not less than 24 hours before the time appointed for holding any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting if you so wish.

10 March 2023

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Adjusted Financial Information of the Target Group”	has the meaning ascribed to it under the sub-paragraph headed “B. Differences between the accounting policies adopted by the Company (HKFRS) and the Target Company (PRC GAAP)” in Appendix II to this circular
“Alternative Disclosure”	has the meaning ascribed to it under the sub-paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules – Waiver sought” in the “Letter of the Board” in this circular
“Audit Committee”	the audit committee of the Company
“BDO”	BDO Limited, the Company’s auditors
“Board”	the board of Directors
“Business Days”	any day excluding Saturday, Sunday and public holidays in the PRC
“CASB”	China Auditing Standards Board
“Company”	北京北大青島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 PRC with limited liability with its H Shares listed on GEM
“Completion”	completion of the Disposal
“Completion Date”	the date on which Completion takes place (i.e. the Sale Shares are registered in the name of the Purchaser)
“Consideration”	the total consideration of RMB1,101,846,000 (equivalent to approximately HK\$1,210,378,000) for the Disposal pursuant to the Share Transfer Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the Share Transfer Agreement
“Epidemic”	novel coronavirus pneumonia epidemic
“Eta Shanghai”	鎔特半導體科技(上海)有限公司 (Eta Semiconductor Technology (Shanghai) Co., Ltd.*), a limited liability company established in the PRC

DEFINITIONS

“Extracted Financial information of the Target Group”	has the meaning ascribed to it under the sub-paragraph headed “B. Differences between the accounting policies adopted by the Company (HKFRS) and the Target Company (PRC GAAP)” in Appendix II to this circular
“First Instalment”	has the meaning ascribed to it under the sub-paragraph headed “Consideration and terms of payment” in the “Letter from the Board” in this circular
“FVTOCI”	fair value through other comprehensive income
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guangdong Lumen”	廣東新銳流銘光電有限公司 (Guangdong Lumen Pioneer Opto Co., Ltd.*), a limited liability company established in the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSAE 3000”	Hong Kong Standard on Assurance Engagements 3000 (Revised)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas-listed foreign invested shares in the ordinary share capital of the Company, with a nominal value of RMB0.1 and subscribed for and traded in Hong Kong dollars
“Independent Third Party(ies)”	third party(ies) which is/are independent of the Company and its connected persons (which have the meaning ascribed to it under the GEM Listing Rules)
“Latest Practicable Date”	6 March 2023, being the latest practicable date prior to the bulk-printing of this circular for ascertaining certain information contained in this circular
“Non-listed Shares”	non-listed shares in the ordinary share capital of the Company, with a nominal value of RMB0.1, subscribed for or credited as fully paid up in RMB

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“PRC GAAP”	the PRC generally accepted accounting principles
“Public Target Financial Information”	has the meaning ascribed to it under the sub-paragraph headed “A. Published Financial Information of the Target Company” in Appendix II to this circular
“Public Target Financial Statements”	has the meaning ascribed to it under the sub-paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules – Waiver sought” in the “Letter of the Board” in this circular
“Published Financial Information of the Target Group”	has the meaning ascribed to it under the sub-paragraph headed “B. Differences between the accounting policies adopted by the Company (HKFRS) and the Target Company (PRC GAAP)” in Appendix II to this circular
“Purchaser”	Cai Weimin, an individual
“Reconciliation Information”	has the meaning ascribed to it under the sub-paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules – Waiver sought” in the “Letter of the Board” in this circular
“Reporting Periods”	the years ended 31 December 2019, 31 December 2020, 31 December 2021 and the six months ended 30 June 2022
“Required Financial Information”	has the meaning ascribed to it under the sub-paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules” in the “Letter of the Board” in this circular
“RMB”	renminbi, the lawful currency of the PRC
“Sale Shares”	44,900,000 shares of the Target Company, representing 7.96% of the total issued share capital in the Target Company as at the date of the Share Transfer Agreement, each a “ Sale Share ”
“SGM”	the special general meeting of the Company convened to be held at 10:30 a.m. on Wednesday, 29 March 2023 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC for the Shareholders to consider and, if thought fit, approve the Share Transfer Agreement and the transactions contemplated thereunder

DEFINITIONS

“Share Transfer Agreement”	the share transfer agreement dated 21 November 2022 and entered into between the Company and the Purchaser in relation to the Disposal
“Shareholder(s)”	shareholder(s) of the Company
“Shanghai Shengjin”	上海盛今創業投資有限公司 (Shanghai Shengjin Venture Capital Co., Ltd.*), a limited liability company established in the PRC
“Shanghai Xianyao”	上海顯耀顯示科技有限公司 (Shanghai Xianyao Display Technology Co., Ltd.*), a limited liability company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“Target Company”	青島消防股份有限公司 (Jade Bird Fire Co., Ltd.), a limited liability company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: 002960)
“Target Company HKFRS Financial Information”	has the meaning ascribed to it under the sub-paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules – Waiver sought” in the “Letter of the Board” in this circular
“Target Group”	the Target Company and its subsidiaries
“USD”	US dollars, the lawful currency of the United States of America
“VSD Rules Requirements”	has the meaning ascribed to it under the sub-paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules” in the “Letter of the Board” in this circular
“%”	per cent

* Denotes English translation of a Chinese company or entity name and is provided for identification purpose only.

For the purpose of illustration only, the amounts denominated in RMB have been translated into HK\$ using the exchange rate of RMB1: HK\$1.0985. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates at all.

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Ni Jinlei (*Chairman*)
Ms. Zheng Zhong (*President*)
Mr. Wang Xingye (*Vice President*)
Ms. Guan Xueming (*Vice President*)

Non-executive Director:

Mr. Liu Ziyi

Independent non-executive Directors:

Mr. Tang Xuan
Mr. Li Chonghua
Mr. Shen Wei

Registered office:

3rd Floor, Beida Jade Bird Building
Yanyuan District Area 3
No. 5 Haidian Road
Haidian District
Beijing 100080
the PRC

***Principal place of
business in the PRC:***

3rd Floor, Beida Jade Bird Building
No. 207 Chengfu Road
Haidian District
Beijing 100871
the PRC

***Principal place of
business in Hong Kong:***

17th Floor
V Heun Building
138 Queen's Road Central
Central, Hong Kong

10 March 2023

To the Shareholders

Dear Sir or Madam

**VERY SUBSTANTIAL TRANSACTION:
DISPOSAL OF 7.96% EQUITY INTEREST
IN JADE BIRD FIRE CO., LTD**

INTRODUCTION

Reference is made to the announcement of the Company dated 21 November 2022 in relation to the Share Transfer Agreement and the transactions contemplated thereunder, in which the Board announced that on 21 November 2022 (after trading hours), the Company and the Purchaser entered into the Share Transfer Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further information of the Share Transfer Agreement and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the GEM Listing Rules; and (iii) the notice of the SGM.

Set out below are the major terms of the Share Transfer Agreement:

PRINCIPAL TERMS OF THE SHARE TRANSFER AGREEMENT

Date

21 November 2022

Parties

- (a) Vendor: the Company
- (b) Purchaser: Cai Weimin

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the Purchaser (i) was the chairman and a shareholder, holding 55,578,279 shares in the Target Company (representing approximately 9.85% of the issued shares of the Target Company); (ii) joined the Target Company as a director and the general manager of the Target Company in 2001 and has been appointed as the chairman of the Target Company since 2012; (iii) was currently a member of the 12th Hebei Provincial Committee of the Chinese People's Political Consultative Conference, an executive director of the Seventh Council of China Fire Protection Association, a member of Fire Detection and Alarm Sub-Technical Committee of National Fire Standardization Technical Committee, a member and expert group member of the seventh session of China Fire Protection Association Building Fire Protection Professional Committee, the vice chairman of Hebei High-tech Enterprise Association and an executive director of the Fifth Council of Beijing Fire Protection Association; and (iv) was an Independent Third Party.

Assets to be disposed of

As at the date of the Share Transfer Agreement, the total number of shares of the Target Company was 564,277,212 shares.

As at the Latest Practicable Date, the Company was a shareholder of the Target Company and held 179,880,361 shares of the Target Company, representing approximately 31.88% equity interest in the Target Company.

LETTER FROM THE BOARD

Pursuant to the Share Transfer Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares (i.e. 44,900,000 sale shares of the Target Company), representing 7.96% equity interest in the Target Company at the total consideration of RMB1,101,846,000 (equivalent to approximately HK\$1,210,378,000).

During the period from the date of the Share Transfer Agreement to the Completion Date, if there is any change in the total share capital of the Target Company as a result of share bonus, transfer of undistributed profits to share capital, share split or merger, share reduction, the number of the Sale Shares shall be adjusted accordingly, but the Consideration shall not be adjusted.

Condition Precedent

Completion shall be conditional upon that the Share Transfer Agreement and the transactions contemplated thereunder has been approved at the general meeting of the Company in accordance with the GEM Listing Rules.

The Share Transfer Agreement shall become effective upon the fulfillment of the above condition. If the above condition, which is not waivable, is not fulfilled on or before 31 March 2023, the Share Transfer Agreement shall automatically terminate forthwith.

Consideration and terms of payment

Pursuant to the Share Transfer Agreement, the consideration for the Disposal shall be RMB24.54 (equivalent to approximately HK\$26.96) for each Sale Share, the total consideration for the Sale Shares is RMB1,101,846,000 (equivalent to approximately HK\$1,210,378,000), which shall be settled in the following manner:

- (a) within 7 working days after the Share Transfer Agreement becoming effective, the Purchaser shall pay to the Company 20% of the Consideration, RMB220,369,200 (equivalent to approximately HK\$242,076,000) (“**First Instalment**”);
- (b) within one month from the Completion Date, the Purchaser shall pay to the Company 30% of the Consideration, RMB330,553,800 (equivalent to approximately HK\$363,113,000);
- (c) within three months from the Completion Date, the Purchaser shall pay to the Company 20% of the Consideration, RMB220,369,200 (equivalent to approximately HK\$242,076,000); and
- (d) within six months from the Completion Date, the Purchaser shall pay to the Company 30% of the Consideration, RMB330,553,800 (equivalent to approximately HK\$363,113,000).

LETTER FROM THE BOARD

The above payment term was arrived at by the Company and the Purchaser after arm's length negotiations and having taken into account that it is not uncommon for consideration for transfer of shares of A-share listed companies in the PRC to be settled by instalments.

Set out below are share transfer of shares of A-share listed companies in the PRC in the last two years involving settlement of consideration by instalments:

Name of A-share listed company subject to transfer	Date of share transfer agreement	Vendor	Purchaser	Percentage of equity interest to be transferred	Total consideration (RMB)	Terms of payment
Guangdong Insight Brand Marketing Group Co., Ltd. (廣東因賽品牌營銷集團股份有限公司) (stock code: 300781)	28 July 2022	廣東因賽投資有限公司 (Guangdong Insight Investment Co., Ltd*)	Liu Xiaowei	5.0044%	95.76 million	<ul style="list-style-type: none"> (i) within three working days from the date of obtaining the transfer confirmation from the Shenzhen Stock Exchange in respect of the transfer, the purchaser shall pay to the vendor the first instalment of RMB5 million; (ii) within five working days after the completion, the purchaser shall pay to the vendor the second instalment of RMB5 million; and (iii) within 180 working days after the completion, the purchaser shall pay to the vendor the remaining balance of RMB85.76 million.
Ningxia Jiaze New Energy Co., Ltd (寧夏嘉澤新能源股份有限公司) (stock code: 601619)	8 October 2021	金元榮泰投資管理(寧夏)有限公司 (Jinyuan Rongtai Investment Management (Ningxia) Co., Ltd.*)	GLP Renewable Energy Investment I Limited	10.4106%	1,382.3 million	<ul style="list-style-type: none"> (i) within ten working days after fulfilment of completion conditions, the purchaser shall pay to the vendor the first instalment of RMB604 million; and (ii) within twelve months from the completion, the purchaser shall pay to the vendor the remaining balance of RMB778.3 million.

LETTER FROM THE BOARD

Name of A-share listed company subject to transfer	Date of share transfer agreement	Vendor	Purchaser	Percentage of equity interest to be transferred	Total consideration (RMB)	Terms of payment
Baolingbao Biology Co., Ltd. (保齡寶生物股份有限公司) (stock code: 002286)	28 January 2021	Liu Zongli	Gao Yanming	6.75%	205.94 million	<ul style="list-style-type: none"> (i) on the date of the share transfer agreement, the purchaser shall pay to the vendor the first instalment of RMB25 million; (ii) within three working days from the date of obtaining the transfer confirmation from the Shenzhen Stock Exchange in respect of the transfer, the purchaser shall pay to the vendor the second instalment of RMB135.8 million; and (iii) within six months after the completion, the purchaser shall pay to the vendor the third instalment of RMB45.14 million.
Guangdong Jiaying Pharmaceutical Co., Ltd. (廣東嘉應製藥股份有限公司) (stock code: 002198)	2 November 2021	Huang Zhiyong, Huang Libing	Liu Libiao	5.03%	213.73 million	<ul style="list-style-type: none"> (i) within three working days after the date of the share transfer agreement, the purchaser shall pay to the vendors the first instalment of RMB65 million; and (ii) within eight months after the completion, the purchaser shall pay to the vendors the remaining balance of RMB148.73 million.
Bringspring Science and Technology Co., Ltd. (榮科科技股份有限公司) (stock code: 300290)	2 June 2020	Cui Wantao, Fu Yanjie	Shao Yinan	5.00%	172.59 million	<ul style="list-style-type: none"> (i) within two working days after the date of the share transfer agreement, the purchaser shall pay to the vendors 10% of the consideration (i.e. RMB17.26 million); (ii) within three working days after the completion, the purchaser shall pay to the vendors 30% of the consideration (i.e. RMB51.78 million);

LETTER FROM THE BOARD

Name of A-share listed company subject to transfer	Date of share transfer agreement	Vendor	Purchaser	Percentage of equity interest to be transferred	Total consideration (RMB)	Terms of payment
						(iii) within six months after the date of the share transfer agreement, the purchaser shall pay to the vendors 30% of the consideration (i.e. RMB51.78 million); and (iv) within twelve months after the date of the share transfer agreement, the purchaser shall pay to the vendors the remaining 30% of the consideration (i.e. RMB51.78 million).

(* in English, for identification only)

As at the Latest Practicable Date, the Purchaser held 55,578,279 shares in the Target Company, which amounted to approximately RMB1,679 million (equivalent to approximately HK\$1,844 million) with reference to the closing price of such shares quoted on the Shenzhen Stock Exchange on the date of the Share Transfer Agreement. In addition, as advised by the Purchaser, the Purchaser has accumulated funds through the dividends received from the Target Company. The Company believes that the Purchaser has sufficient funds to settle the Consideration after Completion. Furthermore, given that the Share Transfer Agreement has been disclosed to the public and the strong standing and good social reputation of the Purchaser as demonstrated by the various public offices held by him as mentioned in the paragraph headed “Parties” above, the Company believes that the risk of default of payment of the Consideration of the Purchaser after Completion is low. The Board has assessed the financial capability of the Purchaser by observations during the long-term cooperation with the Purchaser, who has been a director of the Target Company when the Target Company was a subsidiary of the Company and taking into account of the financial background of the Purchaser with reference to the value of 55,578,279 shares in the Target Company owned by the Purchaser as at the date of the Share Transfer Agreement and the source of funds of the Purchaser including the Purchaser’s bank deposits and channels of pledge financing.

LETTER FROM THE BOARD

As set out in the paragraph headed “Termination of the Share Transfer Agreement” below, if the Purchaser fails to pay the Consideration in time and in full within the time limit specified in the Share Transfer Agreement, the Purchaser shall pay the Company liquidated damages at the daily rate of 0.01% of the outstanding Consideration payable per each overdue day. If the overdue period exceeds 60 days, the Company shall have the right to terminate the Share Transfer Agreement and require the Purchaser to return the Sale Shares to the Company whereas the Company shall return to the Purchaser the Consideration paid by the Purchaser without interest; and the Purchaser shall pay the Company 20% of the Consideration as compensation in addition to the above liquidated damages.

In view of the above, the Directors consider that the above payment term is fair and reasonable, and in the interests of the Company and its shareholders as a whole.

Basis of the Consideration

The Consideration was determined after arm’s length negotiations between the Company and the Purchaser with reference to (i) the closing price of the Sale Shares as quoted on the Shenzhen Stock Exchange on the last trading day prior to the date of the Share Transfer Agreement (i.e. RMB27.26 (equivalent to approximately HK\$29.95) per Sale Share); and (ii) the estimated time and costs to be incurred if the Sale Shares were to be sold in batches on the Shenzhen Stock Exchange, i.e., the transaction brokerage to be incurred for trading of the Sale Shares on the Shenzhen Stock Exchange being estimated to be in the range of approximately RMB110,000 to RMB220,000 (as compared with the transaction handling fees for the transfer of the Sale Shares by way of agreement estimated to be approximately RMB54,000), and not less than 180 days being estimated to be required for selling the Sale Shares on the Shenzhen Stock Exchange, taking into account of the restriction on the reduction of shares of the Target Company on the Company according to the applicable rules (on the assumption that disposal can be effected on the date when the relevant selling order is placed). According to 《上市公司股東、董監高減持股份的若干規定》 (For English identification only, “Several regulations on the reduction of shares of shareholders, directors, supervisors and senior management of listed companies) issued by the China Securities Regulatory Commission 及《深圳證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》 (For English identification only, “Implementation rules for reduction of shares by shareholders, directors, supervisors and senior management of listed companies of Shenzhen Stock Exchange”) issued by the Shenzhen Stock Exchange, the Company, which is holding more than 5% of the Target Company, is only allowed to dispose of (i) 1% of issued shares of the Target Company via auction trading on the Shenzhen Stock Exchange; and (ii) 2% of issued shares of the Target Company via block trading on the Shenzhen Stock Exchange, every 90 days.

Other Major Terms

The Company and the Purchaser have agreed that from the Completion Date, the Purchaser shall enjoy and assume all rights and obligations in relation to the Sale Shares.

LETTER FROM THE BOARD

Termination of the Share Transfer Agreement

If the Company fails to complete the registration procedures for change of shareholders of the Sale Shares within the time limit specified in the Share Transfer Agreement, the Company shall pay the Purchaser liquidated damages at the daily rate of 0.01% of the outstanding Consideration payable per each overdue day. If the overdue period exceeds 60 days, the Purchaser shall have the right to terminate the Share Transfer Agreement and require the Company to return to the Purchaser the Consideration paid by the Purchaser; and the Company shall pay the Purchaser 20% of the Consideration as compensation in addition to the above liquidated damages.

If the Purchaser fails to pay the Consideration in time and in full within the time limit specified in the Share Transfer Agreement, the Purchaser shall pay the Company liquidated damages at the daily rate of 0.01% of the outstanding Consideration payable per each overdue day. If the overdue period exceeds 60 days, the Company shall have the right to terminate the Share Transfer Agreement and require the Purchaser to return the Sale Shares to the Company whereas the Company shall return to the Purchaser the Consideration paid by the Purchaser without interest, and the Purchaser shall pay the Company 20% of the Consideration as compensation in addition to the above liquidated damages.

Completion

Completion shall take place within 10 Business Days after the payment of the First Instalment by the Purchaser.

Upon Completion, the Company will still hold approximately 23.92% equity interest in the Target Company. Before Completion, the Target Company was accounted as an associate of the Company in the consolidated financial statements of the Company using the equity method. After Completion, the Target Company will continue to be accounted as an associate of the Company in the consolidated financial statements of the Company using the equity method.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: 002960). It is principally engaged in research and development, production and sales of fire safety system products.

On 9 August 2019, the shares of the Target Company were listed on The Small and Medium Enterprises Board of the Shenzhen Stock Exchange. Following the completion of such listing, the equity interest of the Company in the Target Company was diluted from 51.02% to 38.27% and the Target Company ceased to be a non-wholly owned subsidiary of the Company and became an associate of the Company. As at the date of the Share Transfer Agreement, the total number of shares of the Target Company was 564,277,212 shares and the Company held 179,880,361 shares of the Target Company, representing approximately 31.88% equity interest in the Target Company.

LETTER FROM THE BOARD

Set out below is a summary of the audited financial information of the Target Company, which were prepared in accordance with the applicable accounting standards in the PRC, for the two financial years ended 31 December 2020 and 31 December 2021, respectively:

	For the year ended 31 December 2020 (RMB'000) <i>Approximately</i>	For the year ended 31 December 2021 (RMB'000) <i>Approximately</i>
Net profit before taxation	485,183	628,938
Net profit after taxation	439,136	554,420

The unaudited net asset value of the Target Company, which was prepared in accordance with the applicable accounting standards in the PRC, was approximately RMB3,853,151,000 (equivalent to approximately HK\$4,232,686,000) as at 30 June 2022.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company, through its subsidiaries, is principally engaged in the development of travel and leisure business, sales and production of LED devices, investment holding of diversified portfolios and other businesses including trading of metallic products and wine and other related products.

The Group expects to recognise an unaudited gain of approximately RMB444.7 million (equivalent to approximately HK\$488.5 million) from the Disposal which is calculated with reference to the difference between (i) the Consideration of RMB1,101.8 million (equivalent to approximately HK\$1,210.4 million); and (ii) the aggregate of (aa) the Group's share of estimated unaudited carrying amount of interest in the Target Company of RMB634.7 million (equivalent to approximately HK\$697.2 million) as recorded in the Group's accounts as at 30 September 2022; and (bb) the estimated expenses and tax of RMB22.4 million (equivalent to approximately HK\$24.7 million) to be incurred in connection with the Disposal, on the basis that as if the Disposal had been completed on 30 September 2022. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group is subject to the Group's share of carrying amount of interest in the Target Company as recorded in the Group's accounts at Completion and the review and the final audit to be performed by the Company's auditors.

The Directors expect that the net proceeds from the Disposal, after deducting the expenses and tax directly attributable thereto, will be approximately RMB1,079.4 million (equivalent to approximately HK\$1,185.7 million). It is currently proposed that the net proceeds from the Disposal would be used as to (i) 45% for future potential mergers and acquisitions and the development of the investment holding business of the Group; (ii) 20% for repayment of the bank and other borrowings of the Group; (iii) 26% for payment of the income tax of the Company which would be increased as a result of the Disposal, taking into account that the Company does not have any business operation or business activity subject to income tax; and (iv) 9% as general working capital of the Group. As at the Latest Practicable Date, the Group has not identified target for future potential mergers and acquisitions. Barring unforeseen circumstances, the Group currently plans to identify target(s) engaged in high-tech business including but not limited to the new energy materials business in the current and next three years.

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The Directors are of the view that the Disposal would be beneficial to the Group considering that the Disposal provides a valuable opportunity for the Group to realise the value of its investment in the Target Company with a substantial cash inflow to the Group. Further, the Disposal will enable the Group to improve its working capital and strengthen its cash flow position so as to facilitate its future development should opportunities arise, thereby allowing the Group to expand and diversify its existing business.

The Directors are of the view that the terms of the Share Transfer Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal are more than 75%, the Disposal constitutes a very substantial disposal of the Company under the GEM Listing Rules and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH RULE 19.68(2)(a)(i) OF THE GEM LISTING RULES

Pursuant to Rule 19.68(2)(a)(i) of the GEM Listing Rules, for this circular which is issued in relation to a very substantial disposal, the Company is required to include financial information of either (a) the Target Company; or (b) the Group with the Target Company being shown separately for the relevant period in this circular. The financial information shall at least include the income statement, balance sheet, cash flow statement and statement of changes in equity ("**Required Financial Information**"), and such financial information must be reviewed by the Company's auditors or reporting accountants according to the relevant accountant standards published by the HKICPA or the International Auditing and Assurance Standards Board of the International Federation of Accountants or the CASB of the China Ministry of Finance ("**VSD Rules Requirements**").

According to Note 2 to Rule 19.68(2)(a)(i) of the GEM Listing Rules, the Stock Exchange may be prepared to relax the VSD Rules Requirements mentioned above if the company being disposed of is not consolidated in the Company's accounts before the disposal.

Background

The Target Company is a company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: 002960). As at the Latest Practicable Date, the Target Company was owned as to approximately 31.88% by the Company. Prior to Completion, the Target Company was accounted for as an associate of the Company in the consolidated financial statements of the Company using the equity method and the financial results of the Target Company have not been consolidated into the financial statements of the Company.

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As required by the rules and regulations of the Shenzhen Stock Exchange, the Target Company has published audited consolidated annual financial statements and unaudited consolidated quarterly financial statements, which can be viewed on the website of the Shenzhen Stock Exchange. The consolidated financial statements of the Target Company for the years ended 31 December 2019, 2020 and 2021 have been prepared in accordance with China Accounting Standard for Business Enterprise, which is one of the PRC GAAP and one of the standards published by the China Ministry of Finance, the consolidated financial statements have also been audited by 中興華會計師事務所(特殊普通合夥) (Zhongxinghua Certified Public Accountants LLP) in accordance with the PRC GAAP. The auditors of the Target Company did not issue modified opinion in respect of the audited consolidated financial statements of the Target Company for the three years ended 31 December 2021. The unaudited consolidated financial statements of the Target Company for the six months ended 30 June 2022 and the nine months ended 30 September 2022 have also been prepared in accordance with the PRC GAAP. All of such financial information is accessible on the website of the Shenzhen Stock Exchange.

Waiver sought

Accordingly, the Company applied to the Stock Exchange for waiver from compliance with the VSD Rules Requirements and the Stock Exchange has granted a waiver to the Company from strict compliance with the VSD Rules Requirements on the following grounds:

- (a) given that that the financial statements of the Company and the Target Company are prepared in accordance with the HKFRS issued by the HKICPA and the PRC GAAP, respectively, complying with the VSD Rules Requirements in preparing the financial information of the Target Company in accordance with the HKFRS for inclusion in this circular would be unduly burdensome and costly, as the Company would need to undertake a considerable amount of work and incur additional costs to prepare financial information of the Target Company in accordance with the HKFRS for the financial years ended 31 December 2019, 2020 and 2021, the six months ended 30 June 2022 and the nine months ended 30 September 2022 (“**Target Company HKFRS Financial Information**”);
- (b) as the financial statements of the Target Company have not been consolidated with those of the Company, the benefits of the preparation and inclusion of the Target Company HKFRS Financial Information in this circular may not justify the additional work and expenses involved;
- (c) the Target Company is a company whose shares are listed on the Shenzhen Stock Exchange, which has published its audited consolidated financial statements for the years ended 31 December 2019, 2020 and 2021, its unaudited consolidated financial statements for the six months ended 30 June 2022 and its unaudited consolidated financial statements for the nine months ended 30 September 2022 (“**Public Target Financial Statements**”) that were prepared in accordance with the PRC GAAP and the rules and regulations of the Shenzhen Stock Exchange, while all such financial statements are accessible on the website of the Shenzhen Stock Exchange. The financial information of the Target Company has thus been already made publicly available for its shareholders and the public to review and assess its performance;

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- (d) the following information are required in order to perform the review in accordance with GEM Listing Rule 19.68(2)(a)(i):
- (i) as required by the GEM Listing Rules, the preparation and presentation of the financial information are in accordance with the relevant provisions thereof and HKFRS;
 - (ii) for such internal control that is necessary to enable the preparation of the financial information that are free from material misstatement, whether due to fraud or error; and
 - (iii) to provide the Company's auditors with:
 - (aa) access to all information of which the Company's auditors are aware that is relevant to the preparation and presentation of the financial information, such as records, documentation and other matters;
 - (bb) additional information that the Company's auditors may request from the Target Company for the purpose of the review; and
 - (cc) unrestricted access to persons within the Target Company from whom the Company's auditors determine them necessary to obtain evidence.

The above are considered to amount to full access to the books and records of the Target Company. The Company has difficulty to obtain the information referred to above as the Target Company does not consider such information are required on a "need" basis for the Company and its auditors to prepare the financial information in accordance with the relevant accountant standards published by the HKICPA or the International Auditing and Assurance Standards Board of the International Federation of Accountants or the CASB of the China Ministry of Finance for the reasons below:

- (1) the Target Company is a company whose shares are listed on the Shenzhen Stock Exchange, which has published the Public Target Financial Statements that were prepared in accordance with the PRC GAAP and the rules and regulations of the Shenzhen Stock Exchange, and all such financial statements are accessible by the public on the website of the Shenzhen Stock Exchange;
- (2) a line-by-line reconciliation ("**Reconciliation Information**") of the financial information of the Target Company for the three years ended 31 December 2021, the six months ended 30 June 2022 and the nine months ended 30 September 2022 for the differences with explanation reconciliation information, have been reported on by BDO, in accordance with HKSAE 3000, and thus provide sufficient assurance in relation to the Target Company's financial statements;

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- (3) the Target Company also cooperates with the Company in providing the required financial information of the Target Company for the preparation of the Reconciliation Information;
 - (4) it is provided in note (2) of GEM Listing Rules 19.68(2)(a)(i) that the Stock Exchange may be prepared to relax the requirements if the Target Company is not consolidated in the Company's accounts before disposal, and therefore the Target Company is of the view that it is not a "mandatory" requirement for the Company to provide the disclosures pursuant to the VSD Rules Requirements; and
 - (5) the Target Company is not a private company and it is not a subsidiary but only an associate of the Company, the Target Company considers that giving the Company and its auditors full access to its books and records is not necessary;
- (e) the Company has included the following information in this circular ("**Alternative Disclosure**") as alternative disclosure to the financial information of the Target Company required to be disclosed under the VSD Rules Requirements:
- (i) the audited consolidated statements of financial position of the Target Company as at 31 December 2019, 2020 and 2021;
 - (ii) the audited consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Target Company for the years ended 31 December 2019, 2020 and 2021;
 - (iii) the unaudited consolidated statement of financial position of the Target Company as at 30 June 2022;
 - (iv) the unaudited consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows of the Target Company for the six months ended 30 June 2022;
 - (v) the unaudited consolidated statement of financial position of the Target Company as at 30 September 2022;
 - (vi) the unaudited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Target Company for the nine months ended 30 September 2022;
 - (vii) the Reconciliation Information; and
 - (viii) a confirmation from the Company that there are immaterial differences between the accounting policies adopted in the preparation of the Public Target Financial Statements and the accounting policies adopted by the Company which comply with the HKFRS.

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Taking into account that:

- (a) the Alternative Disclosure has included (i) the Public Target Financial Statements; and (ii) the Reconciliation Information;
- (b) the Public Target Financial Statements were prepared in accordance with the PRC GAAP and the rules and regulations of the Shenzhen Stock Exchange, and have been already made publicly available for the shareholders of the Target Company and the public to review and assess the performance of the Target Company; and
- (c) the Reconciliation Information, which sets out the differences in the accounting standards and policies adopted by the Company and the Target Company in respect of the Published Financial Information of the Target Group, have been reported on by BDO in accordance with HKSAE 3000, and thus provide assurance in relation to the Published Financial Information of the Target Group;

the Company considers that the Alternative Disclosure would broadly commensurate in all material aspects to the disclosure that would otherwise have been provided if the financial information of the Target Company had to be prepared under the HKFRS under Rule 19.68(2)(a)(i) of the GEM Listing Rules, the Alternative Disclosure are therefore sufficient for the Shareholders to assess the financial position of the Target Company and to make an informed decision of the Disposal, and the granting of the Waiver would be in the interest and benefit of the Company and the Shareholders, would not constitute omission of significant information which would be prejudicial to the interests of the Shareholders, and would not result in undue risks to the Shareholders.

THE SGM

The SGM is convened to be held at 10:30 a.m. on Wednesday, 29 March 2023 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC, for the Shareholders to consider and, if thought fit, approve the Share Transfer Agreement and the transactions contemplated thereunder. The notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the Share Transfer Agreement and the transactions contemplated thereunder and therefore, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the SGM.

The registers of shareholders of the Company will be closed from Friday, 24 March 2023 to Wednesday, 29 March 2023 (both days inclusive) during which period no transfer of shares of the Company will be registered. Any holder of the H Shares and whose name appearing in the Company's register of holders of H Shares with Hong Kong Registrars Limited at 4:30 p.m. on Thursday, 23 March 2023 and have completed the registration process will be entitled to attend the SGM.

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The form of proxy for use at the SGM is also enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority at the Company's share registrar in Hong Kong (for holders of H Shares) or the principal place of business of the Company in Beijing (for holders of Non-listed Shares) by 10:30 a.m. on Tuesday, 28 March 2023 or not less than 24 hours before the time appointed for holding any adjournment of the SGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting if you so wish.

RECOMMENDATION

The Directors consider that the terms of the Share Transfer Agreement and the transactions contemplated thereunder, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular. The Shareholders are advised to read the appendices before deciding as to how to vote on the ordinary resolution approving the Share Transfer Agreement and the transactions contemplated thereunder.

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

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the Reporting Periods including the notes thereto, are disclosed in the following documents which have been published on the website of the Company at www.jbn.com.cn and the website of the Stock Exchange at www.hkexnews.hk:

- (i) annual report of the Company for the year ended 31 December 2019 published on 31 March 2020 (pages 80 to 244);
- (ii) annual report of the Company for the year ended 31 December 2020 published on 30 March 2021 (pages 54 to 203);
- (iii) annual report of the Company for the year ended 31 December 2021 published on 31 March 2022 (pages 58 to 201); and
- (iv) interim report of the Company for the year ended 30 June 2022 published on 11 August 2022 (pages 2 to 27).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 January 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

Secured bank loans

As at 31 January 2023, the Group had outstanding secured bank loans of approximately RMB267.6 million, which were secured by (i) the pledge of the property, plant and equipment and investment properties of the Group; and (ii) the corporate guarantee given by the Company.

Secured other loans

As at 31 January 2023, the Group had outstanding secured other loans of approximately RMB660.0 million, which were secured by the equity interest of an associate of the Company.

Unsecured other loans

As at 31 January 2023, the Group had outstanding other loans of approximately RMB21.8 million.

Lease liabilities

As at 31 January 2023, the Group had lease liabilities of approximately RMB75.3 million.

Amounts due to related parties

As at 31 January 2023, the Group had amounts due to related parties with principal amount of approximately RMB14.8 million, which were neither secured nor guaranteed.

Financial guarantee contracts

As at 31 January 2023, the Group had made provision of approximately RMB300.0 million on the financial guarantee in respect of bank borrowings to an associate and a former associate of the Company. The financial guarantee has not been recognised as a financial liability of the Company at the time the financial guarantee was issued as its fair value was considered as insignificant.

Charge on assets

As at 31 January 2023, the Group's certain fixed assets with carrying amount of approximately RMB273.4 million, investment properties with carrying amount of approximately RMB154.0 million and equity interest of an associate were pledged as securities for the Group's bank and other loans.

Contingent liabilities

The Group had contingent liabilities in the sum of approximately RMB300.0 million in respect of guarantee for banking facilities granted to an associate and a former associate of the Company, which was same as disclosed in the section headed "Financial guarantee contracts" above, by taking into consideration of the maximum liability of the Group under the financial guarantee issued by the Company. Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 31 January 2023.

General

Save as aforesaid or as otherwise disclosed in this circular, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings, lease obligations or indebtedness in the nature of borrowing including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages and charges, material contingent liabilities or guarantees outstanding as at 31 January 2023.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration and taking into account of the financial resources presently available to the Group and the effect of the Disposal, are of the opinion that the Group will have sufficient working capital for its requirements for at least twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS

The Disposal will provide a valuable opportunity for the Group to realise the value of its investment in the Target Company with a substantial cash inflow to the Group. Further, the Disposal will enable the Group to improve its working capital and strengthen its cash flow position so as to facilitate its future development should opportunities arise, thereby allowing the Group to expand and diversify its existing business.

For the year ended 31 December 2022, the performance of the Group's business has been affected in light of the evolving situation regarding the Epidemic and the policies and measures implemented by the government of the PRC against the Epidemic. The Group's total revenue and profit from operations were affected, in particular the decrease in the fare revenue of the environmental shuttle bus service generated by the Group's tourism development business and the decrease in orders entered into by the Group's trading of metallic products business. With the relaxation and removal of the Epidemic restrictions by the government of the PRC since December 2022, it is expected that the outlook for China's economic growth will pick up in 2023 and the recovery of the economic growth will have a positive impact on the Group's business. The Group would closely monitor the performance of its main businesses and the existing investment portfolio held by the Group during the post-Epidemic period. The Group would only explore investment projects with promising development potential in a prudent manner and carefully assess investment opportunities in the market in order to create a better return for the Shareholders.

6. FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Company will still hold approximately 23.92% equity interest in the Target Company.

The financial effects of the Disposal on the Group's net asset value and earnings are set out below. However, it should be noted that the analysis below is for illustrative purposes only and does not purport to represent how the financial position of the Group would be upon Completion.

Assets and liabilities

Based on the unaudited pro forma financial information of the Group as set out in Appendix III to this circular which has been prepared as if the Disposal had been completed on 30 June 2022, upon Completion, the unaudited pro forma consolidated total assets of the Group would increase by approximately RMB460.8 million and the unaudited pro forma consolidated total liabilities of the Group would increase by approximately RMB266.9 million as a result of the Disposal.

Earnings

According to the unaudited pro forma financial information of the Group as set out in Appendix III to this circular, assuming the Disposal had been completed on 1 January 2021, the earnings of the Group would increase by approximately RMB178.0 million, given that (1) the Group expects to recognize an unaudited gain of approximately RMB504.2 million (equivalent to approximately HK\$553.9 million) from the Disposal which is calculated with reference to the difference between (i) the Consideration; and (ii) the aggregate of (aa) the Group's share of estimated unaudited carrying amount of interest in the Target Company as recorded in the Group's accounts as at 1 January 2021; and (bb) the estimated expenses and tax to be incurred in connection with the Disposal. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group is subject to the Group's share of carrying amount of interest in the Target Company as recorded in the Group's accounts at Completion and the review and the final audit to be performed by the Company's auditors; and (2) the Company will be subject to profit tax of approximately RMB266.9 million (equivalent to approximately HK\$293.2 million in respect of the gain from the Disposal mentioned above.

7. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

Set out below is the management discussion and analysis of the Group for the Reporting Periods. The financial data in respect of the Group, for the purpose of this circular, are derived from the consolidated financial statements of the Company for the Reporting Periods.

(a) Business and financial review for the six months ended 30 June 2022**BUSINESS REVIEW****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 facilities, entertainment performance, tourist service center and tourist souvenir shops in the tourist area at Nanyue District, Hunan Province, the PRC; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzi Mountain.

Due to the frequent outbreaks of the Epidemic and the policies and measures implemented by the government of the PRC to deter the Epidemic in the PRC, the number of tourists and pilgrims visiting Hengshan Mountain scenic area was decreased by about 45.7% for the six months ended 30 June 2022. During the period, fare revenue from tourists and pilgrims continued to be the main source of income of the Group's tourism development business. For the six months ended 30 June 2022, the Group's tourism development business recorded revenue of approximately RMB27.3 million, representing a decrease by 48.8% when compared with the corresponding period of 2021.

Investment holding

As at 30 June 2022, 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 the Target Company, and the investments in financial assets at FVTOCI including listed companies in Hong Kong and private companies in the PRC and Hong Kong.

Subsequent to the reporting period for the six months ended 30 June 2022, on 7 July 2022, the Company entered into a capital increase agreement with the existing shareholders of Eta Shanghai, pursuant to which the Company agreed to inject RMB100,000,000 into Eta Shanghai of which (i) RMB14,903,862.95 shall be contributed to the registered capital of Eta Shanghai; and (ii) the remaining balance shall be contributed to the capital reserve of Eta Shanghai. Eta Shanghai is principally engaged in the technical development, technical service, technical consultation and technical transfer of semiconductor and new material technology; and the sale of semiconductor materials and equipment. Upon the completion of capital injection by the Company, the Company would hold approximately 22.681% equity interest in Eta Shanghai, which will be treated as interest in an associate in the Company's financial statements.

The Directors considered that the investment in Eta Shanghai represented good investment opportunities and were in line with the Group's vision to invest in target companies or businesses having promising outlooks and prospects. The transaction would allow the Group to enlarge its investment in Eta Shanghai and its business activities. One of the existing shareholders, which owned 34.12% of the Eta Shanghai before the capital injection by the Company, was wholly owned by the spouse of Mr. Liu Ziyi, the non-executive Director. As such, Eta Shanghai was an associate of Mr. Liu Ziyi and a connected person of the Company under the GEM Listing Rules. The transaction contemplated under the capital injection by the Company constituted a connected transaction for the Company. The capital injection agreement and the transactions contemplated thereunder was approved by the independent shareholders of the Company at a special general meeting of the Company held by the Company on 9 September 2022.

The segment total assets of investment holding business increased slightly by 1.5% to approximately RMB3,221.0 million as at 30 June 2022.

Trading of metallic products

During the six months ended 30 June 2022, the Group was engaged in sales and purchases of metallic products in the PRC. For the six months ended 30 June 2022, revenue generated from the Group's trading of metallic products business amounted to approximately RMB40.6 million, representing a decrease by 71.9% year-on-year. The decrease was mainly attributable to the decrease in orders entered into by the Group after considering the price fluctuation of the metallic products. The gross margin was 2.0% during the period.

Sales and production of LED devices

On 10 March 2022, the Company entered into (i) an equity transfer agreement (“**Guangdong Lumen Equity Transfer Agreement**”) with an independent third party and Guangdong Lumen for the acquisition of the 80% equity interest in Guangdong Lumen at the consideration of RMB84,486,160; and (ii) a repurchase agreement (“**Guangdong Lumen Repurchase Agreement**”) pursuant to which upon occurrence of certain repurchase events, Shanghai Shengjin may require the Company or Guangdong Lumen to repurchase the 20% equity interest in Guangdong Lumen owned by Shanghai Shengjin at the option price of RMB22 million plus interest of 10% per annum, if applicable. Upon the completion in April 2022, Guangdong Lumen became a direct non-wholly owned subsidiary of the Company and the financial results of Guangdong Lumen would be consolidated with the results of the Group. Revenue generated from Guangdong Lumen after the completion of acquisition amounted to approximately RMB12.0 million. Guangdong Lumen is principally engaged in the development, manufacture and sale of high-end ceramic high-power LED devices and modules, focusing on the research and development and manufacturing of special light sources such as automotive, stage, curing, flash and plant growth. The products manufactured include car lamp series, mobile lighting series, color light series, etc.. The Board considered that the acquisition represented a good opportunity to expand the Group’s business into the development, manufacture and sale of high-end ceramic high-power LED devices and modules, in view of the promising future prospect of the market of the LED industries, which could further expand the source of the Group’s operating income and profit and could bring returns to the shareholders of the Company.

Other businesses

The Group operated a winery (“**Winery**”), namely The Winery at la Grange, at the State of Virginia, the United States, which owned a vineyard and is principally engaged in the production and sales of wine and related products. Revenue generated from the Winery amounted to approximately RMB4.7 million, which remained stable.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2022, the Group did not effect any material acquisitions and disposals which would be required to be disclosed under the GEM Listing Rules.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2022, the Group's major operations were financed mainly by the internal financial resources, by corporate borrowings and by net proceeds from placing of new H Shares of the Company in 2021. As at 30 June 2022, the Group had cash and bank balances of approximately RMB123.1 million, which were denominated mainly in RMB, HK\$ and USD.

As at 30 June 2022, the Group had net assets of approximately RMB3,428.8 million. The Group had total outstanding borrowings of approximately RMB675.4 million which consisted of secured bank and other loans of approximately RMB652.7 million, and unsecured bank and other loans of approximately RMB22.7 million. The bank and other loans were denominated in RMB and USD and bore interest rates ranging from nil to 8.0% per annum.

As at 30 June 2022, the Company's outstanding number of issued non-listed shares and H shares of RMB0.10 each were 700,000,000 shares and 814,660,000 shares respectively.

The gearing ratio of the Group as at 30 June 2022, which is measured by total loans and lease liabilities to total equity, was 21.9%.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2022, the Group held financial assets at FVTOCI of approximately RMB259.7 million, representing 5.9% of the total assets of the Group, which mainly comprised of:

- (i) registered capital of RMB2,947,183 (representing 6.24% equity interest) in Shanghai Xianyao with investment cost of RMB100.0 million at fair value of approximately RMB149.8 million, representing 3.4% of the total assets of the Group as at 30 June 2022. Shanghai Xianyao is principally engaged in the technical research and development of display devices, optical components and accessories and digital devices; and the wholesale distribution of digital components, optoelectronic products, display devices, projecting devices and lightening devices. There was no material change in fair value included in other comprehensive income for the six months ended 30 June 2022;

- (ii) registered capital of RMB8,939,189 (representing 10.0% equity interest) in Eta Shanghai with investment cost of RMB50.0 million at fair value of approximately RMB62.0 million, representing 1.4% of the total assets of the Group as at 30 June 2022. Eta Shanghai is principally engaged in the technical development, technical service, technical consultation and technical transfer of semiconductor and new material technology, and the sale of semiconductor materials and equipment. There was an increase in fair value of approximately RMB9.0 million included in other comprehensive income for the six months ended 30 June 2022; and
- (iii) 1,735,340 ordinary shares (0.02% equity interest) of Semiconductor Manufacturing International Corporation (“SMIC”) with investment cost of approximately RMB13.2 million at fair value of approximately RMB27.0 million, representing 0.6% of the total assets of the Group as at 30 June 2022. SMIC is a Hong Kong listed company with stock code 00981 and is principally engaged in the manufacture and trading of semiconductor products. There was a decrease in fair value of approximately RMB0.7 million included in other comprehensive income for the six months ended 30 June 2022.

Investment holding is one of the core businesses of the Group, and the Group strives to identify promising investment opportunities. The Group considered the optimistic future prospect of market of display devices and optoelectronic products, as well as the semiconductor industries and expected that the Group’s investments will be benefited in the long run.

During the six months ended 30 June 2022, the fair value of the financial assets at FVTOCI fluctuated as a result of uncertainty of global economic environment. The Group will carefully assess investment opportunities in the market to diversify investment business portfolio in view of expected higher volatility ahead.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any significant investment plans as at 30 June 2022.

CONTINGENT LIABILITIES

The Group had contingent liabilities in the sum of approximately RMB300 million in respect of guarantee for banking facilities granted to associates and a former associate of the Company. Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 30 June 2022.

FOREIGN EXCHANGE EXPOSURE

The Group was exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, RMB, HK\$, Canadian dollars and Euro. The Group has not formulated a foreign currency hedging policy as turnover and most of the production costs are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group continued to monitor its foreign exchange exposure and will take measures to lower the foreign currency risk when necessary.

CHARGE ON ASSETS

As at 30 June 2022, the Group's certain fixed assets with carrying amount of approximately RMB155.8 million, investment properties with carrying amount of approximately RMB200.8 million and bank deposit of approximately RMB4,000 were pledged as securities for the Group's bank and other loans.

EMPLOYEES AND REMUNERATION POLICY

During the six months ended 30 June 2022, the Group had workforce of 587 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting period, up 13% since the end of 2021. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds are contributed on a timely basis. The Group emphasized on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs were free to set up trade union according to applicable laws while the supervisory committee of the Company ("**Supervisory Committee**") had representative from the workforce. Director's emoluments consisted of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB26.6 million for the six months ended 30 June 2022, which remained stable.

(b) Business and financial review for the year ended 31 December 2021**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 facilities, entertainment performance, tourist service center and tourist souvenir shops in the tourist area at Nanyue District, Hunan Province, the PRC; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzi Mountain.

The tourist area at Nanyue District, the place of operation of the Group's tourism development business, has been temporarily closed from 8 August 2021 to 23 August 2021, due to the policies and measures implemented by the government of the PRC to deter the Epidemic in the PRC. As a result of the overall stabilisation of the Epidemic in the PRC, the number of tourists and pilgrims visiting Hengshan Mountain scenic area increased by about 12% for the year ended 31 December 2021. The service utilisation rate of the Group's environmental bus service remained stable at 91%.

In June 2021, the Group acquired a 2% equity interest in Chuanqi (Hunan) Cultural Tourism Company Limited ("**Chuanqi Cultural Tourism**"), a then associate of the Group, at a consideration of RMB1 in cash together with capital contribution commitment of RMB1,400,000 from an independent third party of the Company. Immediately after the acquisition, the Group owned a total of 51% indirect interest in Chuanqi Cultural Tourism; and Chuanqi Cultural Tourism ceased to be an associate of the Company and became a subsidiary of the Company. Chuanqi Cultural Tourism participated in tourism development projects in Hunan Province.

Reference is made to the announcements of the Company dated 15 May 2020, 26 June 2020 and 3 September 2021 and the circular of the Company dated 30 June 2020. On 15 May 2020, the Company entered into the sale and purchase agreement ("**SP Agreement**") with an independent third party ("**Chuanqi Purchaser**") and Chuanqi Tourism Investment Co., Ltd ("**Chuanqi Tourism**"), a then 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 ("**Chuanqi Disposal**"); and the guarantee fee arrangement ("**Guarantee Fee Arrangement**") in relation to the release of the guarantee agreement ("**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**") under a facility agreement. The release of the Guarantee Agreement should be arranged within 12 months from the equity transfer date through negotiation with the banks. Completion of the Chuanqi Disposal ("**Chuanqi Completion**") took place on 3 September 2020.

For the year ended 31 December 2021, the release of the Guarantee Agreement has still not been completed and negotiation with the banks regarding the release of the Guarantee Agreement was still in progress and the final agreement could only be reached after the banks have completed its internal approval procedures (“**Bank Approval Procedure**”) which took longer time than originally expected. It was expected that completion of the Bank Approval Procedure would take place and the Guarantee Agreement would be released in the fourth quarter of 2022.

As at the date of the publication of the annual report for the year ended 31 December 2021, the remaining balance of the consideration of approximately RMB142.0 million (“**Consideration Balance**”), which should have been due since 3 December 2020, i.e. 90 days from the Chuanqi Completion, remained outstanding. The Chuanqi Purchaser proposed to the Company that it should pay the Consideration Balance in the fourth quarter of 2022.

Taking into account that (i) the time required for completion of the Bank Approval Procedure was beyond the control of the Chuanqi Purchaser and the Company; (ii) the response from the banks on the release of the Guarantee Agreement was positive and there was so far no indication from the banks that the release of the Guarantee Agreement would be refused; (iii) the continuing provision of the Guarantee by the Company should be subject to the Guarantee Fee Arrangement and the Chuanqi Purchaser has been paying the guarantee fee in accordance with the SP Agreement; (iv) in addition to the guarantee fee, the Company was entitled to damages for each overdue day for its breach; (v) the Chuanqi Purchaser has pledged the 60% equity interest in Chuanqi Tourism in favour of the Company and the Target has pledged all shares in Songya Lake Construction in favour of the Company; and (vi) the Chuanqi Purchaser has been paying the interest for overdue accrued on the Consideration Balance in accordance with the SP Agreement, the Company currently had no intention to terminate the SP Agreement. However, the Company closely monitored the status of release of the Guarantee Agreement and payment of the Consideration Balance and would make further announcement(s) to update the Shareholders and the investors of the Company of any material development as and when appropriate.

Investment holding

As at 31 December 2021, the Group’s investment holding business mainly included investments in a subsidiary, the associates and joint ventures which were private equity funds with equity investments in private enterprises and property projects in the PRC, the Target Company, and the investments in financial assets at FVTOCI, including listed companies in Hong Kong and private companies in the PRC and Hong Kong.

On 17 June 2021, the Company entered into a capital increase agreement with several investors and existing shareholders of Shanghai Xianyao, pursuant to which, among others, the Company, as investor, has agreed to inject RMB100 million into Shanghai Xianyao, of which (i) RMB2,947,183 shall be contributed to the registered capital of Shanghai Xianyao; and (ii) the remaining balance shall be contributed to the capital reserve of Shanghai Xianyao. Upon completion of the capital injection by all investors, the Company would hold approximately 6.80% equity interest in Shanghai Xianyao, which would become a financial asset at FVTOCI of the Company. Shanghai Xianyao is principally engaged in the technical research and development of display devices, optical components and accessories and digital devices; and the wholesale distribution of digital components, optoelectronic products, display devices, projecting devices and lightening devices.

On 3 September 2021, the Company entered into a capital increase agreement with the existing shareholders of Eta Shanghai, pursuant to which the Company agreed to inject RMB50,000,000 into Eta Shanghai of which (i) RMB8,939,189 shall be contributed to the registered capital of Eta Shanghai; and (ii) the remaining balance shall be contributed to the capital reserve of the Eta Shanghai. Upon the completion of capital injection by the Company, the Company would hold approximately 10.00% equity interest in Eta Shanghai, which would become a financial asset at FVTOCI of the Company.

The Board considered that the investments in Shanghai Xianyao and Eta Shanghai represented good investment opportunities and were in line with the Group's vision to invest in target companies or businesses having promising outlooks and prospects. The transactions represented an endeavour of the Group to tap into the market of business activities engaged by Shanghai Xianyao and Eta Shanghai.

Trading of metallic products

During the year ended 31 December 2021, the Group was engaged in sales and purchases of metallic products in the PRC. The Group continued to explore more opportunities to expand the Group's source of income.

Other businesses

The Group operated the Winery and was principally engaged in the production and sales of wine and related products.

Subsequent to the reporting period for year ended 31 December 2021, on 10 March 2022, the Company entered into the Guangdong Lumen Equity Transfer Agreement and the Guangdong Lumen Repurchase Agreement. Upon completion, Guangdong Lumen became a directly non-wholly owned subsidiary of the Company and the financial results of Guangdong Lumen consolidated with the results of the Group.

FINANCIAL REVIEW

Tourism development

During the year ended 31 December 2021, fare revenue from tourists and pilgrims continued to be the main source of income of the Group's tourism development business. For the year ended 31 December 2021, the Group's tourism development business recorded revenue of approximately RMB110.8 million, representing an increase by 13.8% when compared with the corresponding period of 2020. Such increase was mainly due to the recovery of the tourism market from the Epidemic in the PRC though there was a short temporary closure of tourist area at Nanyue District during the third quarter of 2021.

Investment holding

The segment total assets of investment holding business increased by 15.6% to approximately RMB3,172.9 million as at 31 December 2021. The increase was mainly attributable to the Group's new investments in Shanghai Xianyao and Eta Shanghai during the year and increase in the Group's share of carrying amount of interests in associates.

Trading of metallic products

For the year ended 31 December 2021, revenue generated from the Group's trading of metallic products business amounted to approximately RMB273.6 million, representing a decrease by 22.5% year-on-year. The decrease was mainly attributable to the decrease in orders entered into by the Group after considering the price fluctuation of the metallic products. The gross margin was 2.2% (2020: 2.4%) during the year.

Overall performance

For the year ended 31 December 2021, total revenue recorded by the Group amounted to approximately RMB394.6 million, representing a decrease of 15.8% compared with the corresponding year of 2020. Such decrease was mainly attributable to the decrease in revenue generated by trading of metallic products during the year. The Group maintained a steady gross profit margin of approximately 15%, which is a key performance indicator of the Group's overall efficiency and profitability.

The Group recorded an increase in profit attributable to owners of the Company by 147.8% to approximately RMB159.0 million for the year ended 31 December 2021. The increase was mainly attributable to the improvement in the businesses of the Group's associates, which have gradually rebounded from the impact of the Epidemic since the second half of 2020, and continued through the year of 2021.

Financial position

As at 31 December 2021, the Group's current ratio (being ratio of current assets and current liabilities) and the gearing ratio (being measured by total loans and lease liabilities to total equity), which were the key position and financial leverage, were 0.64 and 22.9%, respectively. The decrease in the current ratio and the increase in the gearing ratio were mainly due to the raise of additional bank and other loans for business operations during the year. The Group has been actively negotiating with banks and other borrowers for new loans and renewal of current existing loans in order to cope with the business operations and expansion.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2021, the Group did not effect any material acquisitions and disposals of subsidiaries, associates and joint ventures which would be required to be disclosed under the GEM Listing Rules.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year ended 31 December 2021, the Group's major operations were financed mainly by internal financial resources, corporate borrowings and net proceeds from placing of new H shares of the Company during the year. As at 31 December 2021, the Group had cash and cash equivalents of approximately RMB99.9 million, which were denominated mainly in RMB, HK\$ and USD.

As at 31 December 2021, the Group had net assets of approximately RMB3,348.5 million. The Group had total outstanding borrowings of approximately RMB701.9 million which consisted of secured bank and other loans of approximately RMB643.3 million and unsecured bank and other loans of RMB58.6 million. The bank and other loans were denominated in RMB and USD and bore interest rates ranging from nil to 12% per annum.

As at 31 December 2021, the Company's outstanding number of issued non-listed shares and H shares of RMB0.10 each were 700,000,000 shares and 814,464,000 shares respectively.

The gearing ratio of the Group as at 31 December 2021 was 22.9%. During the year, the total bank and other loans were increased for continuous business expansion and development.

The Board announced that on 20 January 2021, it has resolved to approve the proposed issue of not more than 400,000,000 new H shares (“**2021 New H Shares Issuance**”) pursuant to a specific mandate to be sought at a special general meeting and the class meetings of the Company. The purpose of the proposed new H shares issue was mainly to provide funding to a subsidiary of the Company for undertaking the business in import and export of integrated circuit related products and introduction of related technology. The Board considered that the new H shares issue was highly beneficial to the Company by enlarging the shareholder and capital bases of the Company and providing capital for the Group’s development.

Moreover, equity financing did not incur any interest expense on the part of the Company and could restrain the build-up of the debt-ratio, which would improve the financing structure of the Company. The approval of the shareholders of the Company in respect of the grant of the specific mandate to issue the new H shares was obtained at the special general meeting and the class meetings of the Company on 2 March 2021. The validity period of the resolutions, which was 12 months from the date of passing the resolutions at the special general meeting and the class meetings of the Company, has expired and no new H shares pursuant to the specific mandate was issued by the Company.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2021, the Group held financial assets at FVTOCI of approximately RMB300.7 million, representing 7.0% of the total assets of the Group, which mainly comprised of:

- (i) registered capital of RMB2,947,183 (representing 6.24% equity interest) in Shanghai Xianyao with investment cost of RMB100.0 million at fair value of approximately RMB149.8 million, representing 3.5% of the total assets of the Group as at 31 December 2021. Shanghai Xianyao is principally engaged in the technical research and development of display devices, optical components and accessories and digital devices; and the wholesale distribution of digital components, optoelectronic products, display devices, projecting devices and lightening devices. There was an increase in fair value of approximately RMB49.8 million included in other comprehensive income for the year;
- (ii) registered capital of RMB66,500,000 (representing 19% equity interest) in Beida Jade Bird Tongling Semiconductor Industry Investment Fund (Limited Partnership) (“**Tongling Investment Fund**”) with investment cost of approximately RMB66.5 million at fair value of approximately RMB55.7 million, representing 1.3% of the total assets of the Group as at 31 December 2021. Tongling Investment Fund is a limited partnership investment fund established in the PRC with investment scope of semiconductor industry chain projects in the city of Tongling, Anhui province. There was an increase in fair value of approximately RMB4.4 million included in other comprehensive Income in for the year;

- (iii) registered capital of RMB8,939,189 (representing 10.0% equity interest) in Eta Shanghai with investment cost of RMB50.0 million at fair value of approximately RMB50.0 million, representing 1.2% of the total assets of the Group as at 31 December 2021. Eta Shanghai is principally engaged in the technical development, technical service, technical consultation and technical transfer of semiconductor and new material technology, and the sale of semiconductor materials and equipment. There was no material change in fair value included in other comprehensive income for the year; and
- (iv) 2,000,340 ordinary shares (0.03% equity interest) of SMIC with investment cost of approximately RMB14.6 million at fair value of approximately RMB30.5 million, representing 0.7% of the total assets of the Group as at 31 December 2021. SMIC is a Hong Kong listed company with stock code 00981 and is principally engaged in the manufacture and trading of semiconductor products. There was a decrease in fair value of approximately RMB5.6 million included in other comprehensive income for the year.

Investment holding was one of the core businesses of the Group, and the Group strived to identify promising investment opportunities. The Group considered the optimistic future prospect of market of display devices and optoelectronic products, as well as the semiconductor industries and expected that the Group's investments would be benefited in the long run. During the year ended 31 December 2021, the fair value of the financial assets at FVTOCI fluctuated as a result of uncertainty of global economic environment. The Group would carefully assess investment opportunities in the market to diversify investment business portfolio in view of expected higher volatility ahead.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed herein this section, the Group did not have any significant investment plans as at 31 December 2021.

CONTINGENT LIABILITIES

The Group had contingent liabilities in the sum of approximately RMB300.0 million in respect of guarantee for banking facilities granted to associates and a former associate of the Company. Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 31 December 2021.

FOREIGN EXCHANGE EXPOSURE

The Group was exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, Canadian dollars, RMB, Euro and HK\$. The Group has not formulated a foreign currency hedging policy as turnover and most of the production costs and operating expenses are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group continues to monitor its foreign exchange exposure and will take measures to lower the foreign currency risk when necessary.

CHARGE ON ASSETS

As at 31 December 2021, the Group's certain fixed assets with carrying amount of approximately RMB281.4 million, investment properties with carrying amount of approximately RMB199.1 million, bank deposit of approximately RMB1.0 million and equity interest of an associate were pledged as securities for the Group's bank and other loans.

EMPLOYEES AND REMUNERATION POLICY

The Group had workforce of 520 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds were contributed on a timely basis. The Group emphasized on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs were free to set up trade union according to applicable laws while the Supervisory Committee had representative from the workforce. Director's emoluments consisted of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB60.5 million for the year ended 31 December 2021. Increase was mainly attributable to the business expansion of the Group during the year.

(c) **Business and financial review for the year ended 31 December 2020**

BUSINESS REVIEW

Tourism development

During the year ended 31 December 2020, 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 the Epidemic in the PRC, which led to an overall annual decrease in the number of tourists and pilgrims visiting Hengshan Mountain scenic area by about 30%. The service utilisation rate of the Group's environmental bus service remained stable at 92%. 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 Chuanqi Disposal and the Guarantee Fee Arrangement. The release of the Guarantee Agreement should have been arranged within 12 months from the equity transfer date through negotiation with the banks. The principal asset of Chuanqi Tourism was the investment in 46.6% equity interest in Songya Lake Construction, and Songya Lake Construction was 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 the Epidemic, the Company was of the view that the Chuanqi Disposal 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 in respect of the Chuanqi Disposal and the continuing provision of the Guarantee Fee Arrangement after the Chuanqi Completion have been obtained at the special general meeting of the Company held on 21 July 2020. The Chuanqi Completion took place on 3 September 2020 and the Group recorded a gain on disposal of approximately RMB92.5 million for year ended 31 December 2020. As at the date of publication of the annual report for the year ended 31 December 2020, the remaining balance of the consideration of the Chuanqi Disposal of approximately RMB142.0 million, which should have been due since 1 December 2020, i.e. 90 days from the Chuanqi Completion, remained outstanding, while the Chuanqi Purchaser promised to settle all the remaining balance of the consideration on or before 30 June 2021. Taking into account of the negotiations with the Chuanqi Purchaser, the Board was of the view that the remaining balance of the consideration would be fully settled by the Chuanqi Purchaser on or before 30 June 2021.

During the year ended 31 December 2020, 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. (which subsequently changed its name to Chuanqi (Hunan) Culture Tourism Co., Ltd in January 2021), 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 at the consideration of RMB45,370,000. The building 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 31 December 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 the Target Company, and the investments in financial assets at fair value through other comprehensive income including listed companies in Hong Kong and private companies in the PRC and Hong Kong. During the year, the Group did not effect any material additional new investments.

Trading of metallic products

For the year ended 31 December 2020, the Group commenced sales and purchases of metallic products in the PRC in order to further expand the Group’s source of income.

Other businesses

The Group operated the Winery and was principally engaged in the production and sales of wine and related products.

FINANCIAL REVIEW**Tourism development**

For the year ended 31 December 2020, the Group's tourism development business recorded revenue of approximately RMB97.3 million, representing a decrease by 29.6% when compared with the corresponding year of 2019. At the beginning of the outbreak of the Epidemic, in particular as a result of the temporary closure of Hengshan Mountain scenic during first quarter of 2020, the business and financial performance of the tourism development business was adversely affected, and the revenue from the tourism development business was dropped by 62.9% during the first half of 2020, as compared to the corresponding period in 2019. As the Epidemic stabilized in the PRC, the decrease in the revenue was narrowed to 4.1% during the second half of 2020.

Investment holding

The segment total assets of investment holding business slightly decreased by 0.9% to approximately RMB2,745.3 million as at 31 December 2020. For the year ended 31 December 2020, revenue from the investment holding business, which represented management fee income from the private equity funds managed by the Group, amounted to approximately RMB6.8 million.

Trading of metallic products

For the year ended 31 December 2020, revenue generated from the Group's trading of metallic products business amounted to approximately RMB353.0 million.

Overall performance

During the year ended 31 December 2020, the Epidemic had impact on the business environment in the PRC, and the operating results of the Group were affected. The Group recorded total revenue of approximately RMB468.4 million, representing an increase of 201.8% compared with the corresponding year of 2019. Such increase was mainly attributable to the commencement of metallic products business during the year and the Group recorded sales of metallic products of approximately RMB353.0 million for the year ended 31 December 2020. The gross profit was decreased by 27.7% to approximately RMB71.1 million, as the gross profit generated from the Group's tourism development business was affected by the Epidemic, 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 Chuanqi Disposal was completed and the Group recorded a gain on disposal of approximately RMB92.5 million.

The Target Company, a then subsidiary of the Company, became an associate of the Group with effect from the completion of its shares on The Small and Medium Enterprises Board of the Shenzhen Stock Exchange (“**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 the Target Company before the completion of the spin-off of the Target Company was presented as discontinued operations in 2019. During the year ended 31 December 2020, as a result of the issue of restricted shares by the Target Company to its employees, the equity interest in the Target Company held by the Company was diluted from approximately 38.3% to approximately 37.3% and the Company recorded a loss on deemed partial disposal of an associate of approximately RMB26.8 million for the year.

During the year ended 31 December 2020, the Group recorded a decrease in profit attributable to the owners of the Company by 95.4% to approximately RMB64.2 million, as compared to a profit attributable to the owners of the Company of approximately RMB1,402.4 million for the corresponding period in 2019. Such decrease was mainly attributable to the absence of recognition of a gain on deemed disposal of subsidiaries for the year ended 31 December 2020, as compared to the recognition of a gain on deemed disposal of subsidiaries of approximately RMB1,348.4 million for the year ended 31 December 2019 upon the completion of the A Share Listing in August 2019.

Financial position

As at 31 December 2020, the Group’s financial position remained solid and the Group’s current ratio and the gearing ratio which were the key position and financial leverage, were 2.89 and 15.4%, respectively. Increase in the gearing ratio was mainly due to the raise of additional bank and other loans for business operations during the year.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 15 May 2020, the Company entered into the Chuanqi Disposal and the Guarantee Fee Arrangement. 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 in respect of the Chuanqi Disposal and the Guarantee Fee Arrangement after the Chuanqi Completion have been obtained at the special general meeting of the Company on 21 July 2020. The Chuanqi Completion took place on 3 September 2020. Upon the Chuanqi Completion, Chuanqi Tourism and Songya Lake Construction ceased to be a subsidiary and an associate of the Company respectively.

Saved as disclosed herein this section, during the year ended 31 December 2020, the Group did not effect any material acquisitions and disposals which would be required to be disclosed under the GEM Listing Rules.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year ended 31 December 2020, the Group's major operations were financed mainly by the internal financial resources and by corporate borrowings. As at 31 December 2020, the Group had cash and cash equivalents of approximately RMB118.0 million, which were denominated mainly in RMB, HK\$ and USD.

As at 31 December 2020, the Group had net assets of approximately RMB3,104.8 million. The Group had total outstanding borrowings of approximately RMB413.8 million which consisted of secured bank and other loans of approximately RMB355.7 million and unsecured other loans of RMB58.1 million. The bank and other loans were denominated in RMB and USD and bore interest rates ranging from nil to 6.9% per annum. As at 31 December 2020, the Company's outstanding number of issued non-listed shares and H shares of RMB0.10 each were 700,000,000 shares and 678,720,000 shares respectively.

The gearing ratio of the Group as at 31 December 2020 was 15.4%.

The Board announced that on 20 January 2021, it has resolved to approve the 2021 New H Shares Issuance.

On 17 March 2021, the Company entered into a placing agreement with a third party placing agent pursuant to which the placing agent, as the agent of the Company, agreed to place on a best effort basis a maximum of 135,744,000 new H Shares at the placing price of HK\$0.50 (equivalent to approximately RMB0.42) per placing H Share. The placing of new H Shares would be allotted and issued pursuant to the general mandate granted to the Board to not less than six but not exceeding ten placees. The placing was yet completed at the date of the publication of the annual report for the year ended 30 December 2020. Details were disclosed in the announcement of the Company dated 17 March 2021.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2020, the Group held financial assets at fair value through other comprehensive income of approximately RMB172.8 million, representing 4.7% of the total assets of the Group. Saved as disclosed herein this section, for the year ended 31 December 2020, the Group had no significant investment held.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed herein this section, the Group did not have any significant investment plans as at 31 December 2020.

CONTINGENT LIABILITIES

The Group had contingent liabilities in the sum of approximately RMB490.0 million in respect of guarantee for banking facilities granted to associates and a former associate of the Company. Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 31 December 2020.

FOREIGN EXCHANGE EXPOSURE

The Group was exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, Canadian dollars, RMB, Euro and HK\$. The Group has not formulated a foreign currency hedging policy as turnover and most of the production costs and operating expenses are denominated in RMB and they were automatically matched, leaving limited currency risk. The Group continued to monitor its foreign exchange exposure and would take measures to lower the foreign currency risk when necessary.

CHARGE ON ASSETS

As at 31 December 2020, the Group's certain fixed assets with carrying amount of approximately RMB162.4 million and bank deposit of approximately RMB12.2 million were pledged as securities for the Group's bank loans.

EMPLOYEES AND REMUNERATION POLICY

The Group had workforce of 473 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year, up 5.8% since the end of 2019. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds are contributed on a timely basis. The Group emphasizes on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs are free to set up trade union according to applicable laws while the Supervisory Committee had representative from the workforce. Director's emoluments consisted of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB57.4 million for the year ended 31 December 2020. Decrease was mainly attributable to absence of staff costs of the Target Company incurred by the Group since the completion of the spin-off of the Target Company in August 2019.

(d) Business and financial review for the year ended 31 December 2019**BUSINESS REVIEW**

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 the Target Company and the A Share Listing.

On 19 July 2019, the Target Company received a written approval issued by the China Securities Regulatory Commission in respect of the initial public offering of the Target Company (“**CSRC Approval**”). Pursuant to the CSRC Approval, the Target Company was approved to publicly issue no more than 60 million new shares within 12 months from the date of the CSRC Approval. On 8 August 2019, the Target Company 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 was issued by the Target Company. The A Share Listing completed on 9 August 2019, with stock name “青鳥消防” (Jade Bird Fire) and stock code 002960. Details were disclosed in the announcements of the Company dated 19 July 2019, 29 July 2019 and 8 August 2019. Following the completion of the A Share Listing on 9 August 2019, the equity interest of the Company in the Target Company was diluted from 51.02% to 38.27%. The Target Company 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. The Target Company became associate of the Group with effect from the same date and has since been accounted for using the equity method of accounting.

Tourism development

The Company, through its subsidiaries and associates, was 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 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. The service utilisation rate of the Group’s environmental bus service remained stable at 91%.

Investment holding

As at 31 December 2019, 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 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 year ended 31 December 2019, the Group did not effect any material additional new investments.

FINANCIAL REVIEW**Tourism development**

For the year ended 31 December 2019, the Group's tourism development business recorded revenue of approximately RMB138.2 million, representing a decrease by 0.4% when compared with the corresponding year of 2018. Such slight decrease was mainly due to the implementation of travel scheme for elderly and students in 2019 and no rime scenery at Hengshan Mountain in December 2019.

Investment holding

This segment total assets increased from approximately RMB880.0 million as at 31 December 2018 to approximately RMB2,770.0 million as at 31 December 2019, representing an increase of 214.8%, mainly as a result of reclassification of equity interest in the Target Company held by the Company as an associate under investment holding business after the completion of the A Share Listing. For the year ended 31 December 2019, a gain on disposal of approximately RMB7.5 million was transferred to retained profits as a result of disposal of certain financial assets held by the Group.

Overall performance

The Group's tourism development segments continued to be the core source of revenue from continuing operations. The Group's revenue and gross profit from continuing operations for the year ended 31 December 2019 remained steady at approximately RMB155.2 million and approximately RMB98.4 million respectively. The Group's total operation expenses, including distribution costs, administrative expenses and other expenses, remained steady at approximately RMB55.7 million. Profit attributable to the owners of the Company increased by 854.0% to approximately RMB1,402.4 million, because of the recognition of the gain on deemed disposal of the Target Company of approximately RMB1,348.4 million upon the completion of the A Share Listing in 2019.

Financial position

As at 31 December 2019, the Group's financial position remained solid and the Group's current ratio and the gearing ratio were 2.20 and 9.8%, respectively. Increase in the gearing ratio was mainly due to the raise of additional bank and other loans for business operations and the recognition of lease liabilities of approximately RMB70.0 million as a result of initial application of new financial reporting standard regarding leases.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Upon the completion of the A Share Listing, the equity interest of the Company in the Target Company was diluted from 51.02% to 38.27% and the Group discontinued its manufacture and sale of electronic fire equipment business. The Target Company ceased to be a non-wholly owned subsidiary of the Company and became an associate of the Group during the year. Details were disclosed in the announcements of the Company dated 1 February 2013, 19 July 2019, 29 July 2019 and 8 August 2019, and the circular of the Company dated 27 February 2013. Saved as disclosed herein this section, during the year ended 31 December 2019, the Group did not effect any material acquisitions and disposals which would be required to be disclosed under the GEM Listing Rules.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year ended 31 December 2019, the Group's major operations were financed mainly by the internal financial resources, by corporate borrowings and by net proceeds from placing of new H shares of the Company in 2017. As at 31 December 2019, the Group had cash and cash equivalents of approximately RMB156.5 million, which were denominated mainly in RMB, HK\$ and USD. As at 31 December 2019, the Group had net assets of approximately RMB3,075.4 million. The Group had total outstanding borrowings of approximately RMB231.7 million which consisted of secured bank loans of approximately RMB186.9 million and unsecured other loans of RMB44.8 million. The bank and other loans were denominated in RMB and USD and bore interest rates ranging from nil to 7.2% per annum. As at 31 December 2019, the Company's outstanding number of issued non-listed shares and H shares of RMB0.10 each were 700,000,000 shares and 678,720,000 shares respectively.

In respect of the placing completed on 6 February 2017 and following the change of use of proceeds on 29 March 2018, approximately 88% of net proceeds from the placing would be applied to potential acquisitions and/or development of new businesses; and approximately 12% of the net proceeds from the placing would be applied as working capital of the Group. Details of the above were disclosed in the announcements of the Company dated 11 January 2017, 6 February 2017, 1 December 2017 and 29 March 2018. As at 31 December 2019, approximately RMB103.9 million was applied to capital contribution to associates and investment of the Company and payments for investments of the Group; and approximately RMB13.9 million was applied as working capital of the Group. All the net proceeds from the placing have been fully utilised. The gearing ratio of the Group as at 31 December 2019, which is measured by total interest-bearing debts to total equity, was 9.8%.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2019, the Group held financial assets at fair value through other comprehensive income of approximately RMB108.9 million, representing 3.1% of the total assets of the Group. Saved as disclosed herein this section, for the year ended 31 December 2019, the Group had no significant investment held.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed herein this section, the Group did not have any significant investment plans as at 31 December 2019.

CONTINGENT LIABILITIES

The Group had contingent liabilities in the sum of approximately RMB490 million in respect of guarantee for banking facilities granted to associates of the Company. Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 31 December 2019.

FOREIGN EXCHANGE EXPOSURE

The Group was exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, Canadian dollars, RMB, Euro and HK\$. The Group had not formulated a foreign currency hedging policy as turnover and most of the production costs and operating expenses were denominated in RMB and they were automatically matched, leaving limited currency risk. The Group continued to monitor its foreign exchange exposure and would take measures to lower the foreign currency risk when necessary.

CHARGE ON ASSETS

As at 31 December 2019, the Group's certain fixed assets with carrying amount of approximately RMB10.4 million and bank deposit of approximately RMB1.2 million were pledged as securities for the Group's bank loans.

EMPLOYEES AND REMUNERATION POLICY

The Group had workforce of 447 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year, down 83% since the end of 2018. The overall decrease in workforce was mainly attributable to the completion of the A Share Listing, which ceased to be a non-wholly owned subsidiary of the Company during the year. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds were contributed on a timely basis. The Group emphasized on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs were free to set up trade union according to applicable laws while the Supervisory Committee had representative from the workforce. Director's emoluments consisted of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB217.4 million for the year ended 31 December 2019.

As described in the paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules” in the “Letter from the Board” in this circular, the Company has applied to the Stock Exchange for, and has been granted, a waiver from the strict compliance with the VSD Rules Requirements. Instead, this circular sets out (i) the Public Target Financial Information in section A in this appendix; and (ii) the Reconciliation Information in section B in this appendix.

A. PUBLISHED FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below are the public financial information of the Target Company (“**Public Target Financial Information**”) for the relevant periods pursuant to GEM Listing Rules 19.68(2)(a):

- (i) the audited consolidated statements of financial position of the Target Company as at 31 December 2019, 2020 and 2021;
- (ii) the audited consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Target Company for each of the three years ended 31 December 2021;
- (iii) the unaudited consolidated statement of financial position of the Target Company as at 30 June 2022;
- (iv) the unaudited consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Target Company for the six months ended 30 June 2022;
- (v) the unaudited consolidated statement of financial position of the Target Company as at 30 September 2022; and
- (vi) the unaudited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Target Company for the nine months ended 30 September 2022.

The Public Target Financial Information referred to in paragraphs (i) and (ii) above were prepared under the accounting policies of the Target Group in accordance with the PRC GAAP and were audited by the auditors of the Target Company, 中興華會計師事務所(特殊普通合伙) (Zhongxinghua Certified Public Accountants LLP). The Public Target Financial Information referred to in paragraphs (iii) to (vi) above were prepared under the accounting policies of the Target Group in accordance with the PRC GAAP.

AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME*for the years ended 31 December 2019, 2020 and 2021*

	For the year ended 31 December		
	2019	2020	2021
	RMB	RMB	RMB
Total operating revenue	2,271,095,616.23	2,524,621,624.16	3,863,392,959.52
Operating costs	(1,372,623,809.51)	(1,535,185,880.11)	(2,428,415,635.02)
Taxes and surcharges	(15,674,133.54)	(15,931,064.17)	(21,118,350.50)
Selling expenses	(217,834,610.53)	(231,368,598.23)	(406,389,064.38)
Administrative expenses	(102,969,054.94)	(155,332,088.35)	(216,188,226.65)
Research and development expenses	(116,105,111.74)	(137,840,142.16)	(186,238,038.81)
Finance costs	(5,625,061.32)	(18,120,166.43)	(20,630,464.50)
Other gains	15,539,718.73	59,046,151.60	65,660,593.09
Investment income	(2,468,799.40)	32,608,398.00	(161,116.92)
Gains on changes in fair value	643,915.23	(643,915.23)	–
Expected credit losses	(36,626,719.72)	(39,729,398.54)	(19,350,567.09)
Assets impairment loss	(2,086,539.01)	(4,955,812.60)	(2,757,744.12)
Gains from assets disposal	1,384.20	23,997.85	16,314.53
Operating profit	415,266,794.68	477,193,105.79	627,820,659.15
Non-operating income	1,022,819.67	8,528,883.62	3,168,385.89
Non-operating expenses	(2,607,426.74)	(539,150.27)	(2,051,056.22)
Total profit	413,682,187.61	485,182,839.14	628,937,988.82
Income tax expenses	(61,567,333.35)	(46,046,957.06)	(74,517,517.97)
Net profit	352,114,854.26	439,135,882.08	554,420,470.85

APPENDIX II
**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	For the year ended 31 December		
	2019 RMB	2020 RMB	2021 RMB
Other comprehensive income after tax: <i>Other comprehensive income that shall not be reclassified to profit or loss</i>			
Changes in fair value of investments in other equity instruments	—	—	5,018,612.50
	—	—	5,018,612.50
<i>Other comprehensive income that will be reclassified to profit or loss</i>			
Other comprehensive income that will be reclassified to profit or loss under equity method	—	—	31,911.00
Exchange difference arising from foreign currency translation	7,914,644.12	676,529.55	(36,972,674.04)
	7,914,644.12	676,529.55	(36,940,763.04)
Other comprehensive income attributable to the owners of the Target Company, net	7,914,644.12	676,529.55	(31,922,150.54)
Other comprehensive income after tax attributable to minority shareholders	722,045.63	(529,233.85)	(3,502,793.90)
Other comprehensive income after tax, net	8,636,689.75	147,295.70	(35,424,944.44)
Total comprehensive income	<u>360,751,544.01</u>	<u>439,283,177.78</u>	<u>518,995,526.41</u>
Net profit attributable to the shareholders of the Target Company	362,228,839.28	430,031,421.66	529,824,909.40
Profit or loss of minority shareholders	(10,113,985.02)	9,104,460.42	24,595,561.45
	<u>352,114,854.26</u>	<u>439,135,882.08</u>	<u>554,420,470.85</u>
Total comprehensive income attributable to the owners of the Target Company	370,143,483.40	430,707,951.21	497,902,758.86
Total comprehensive income attributable to the minority shareholders	(9,391,939.39)	8,575,226.57	21,092,767.55
	<u>360,751,544.01</u>	<u>439,283,117.78</u>	<u>518,995,256.41</u>
Earnings per share:			
Basic earnings per share	1.81	1.79	1.53
Diluted earnings per share	1.81	1.77	1.49

AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 31 December 2019, 2020 and 2021

	As at 31 December		
	2019	2020	2021
	RMB	RMB	RMB
Current assets:			
Cash and bank balances	1,061,119,852.89	1,502,057,896.29	1,483,828,405.22
Held-for-trading financial assets	615,573,915.23	–	–
Bills receivables	422,637,033.15	230,045,383.02	109,111,539.31
Accounts receivables	870,780,033.21	1,116,998,943.40	1,562,665,067.25
Receivables financing	–	297,975,061.04	386,375,935.69
Prepayments	4,805,568.48	13,864,751.21	99,895,933.40
Other receivables	11,386,227.58	27,617,616.28	44,565,639.06
Inventories	243,220,105.82	353,314,523.77	702,481,775.49
Contract assets	–	1,121,187.77	2,686,875.01
Other current assets	7,213,480.01	9,609,103.45	10,329,320.22
Total current assets	<u>3,236,736,216.37</u>	<u>3,552,604,466.23</u>	<u>4,401,940,490.65</u>
Non-current assets:			
Long-term equity investments	963,518.99	67,689,330.37	85,895,431.39
Investments in other equity instruments	–	17,000,000.00	47,904,250.00
Fixed assets	276,052,781.80	280,067,011.95	370,040,059.23
Construction in progress	5,203,387.63	752,475.25	39,861,805.87
Right-of-use assets	–	–	58,201,148.25
Intangible assets	31,788,838.34	33,319,350.42	196,624,741.66
Development expenses	–	–	3,049,186.22
Goodwill	22,684,101.92	57,720,820.79	415,966,112.21
Long-term deferred expenses	2,417,963.50	1,938,012.72	8,431,433.79
Deferred income tax assets	19,240,261.25	29,648,042.99	36,162,800.22
Other non-current assets	13,840,885.48	303,409,757.29	21,240,727.80
Total non-current assets	<u>372,191,738.91</u>	<u>791,544,801.78</u>	<u>1,283,377,696.64</u>
Total assets	<u><u>3,608,927,955.28</u></u>	<u><u>4,344,149,268.01</u></u>	<u><u>5,685,318,187.29</u></u>

APPENDIX II**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	As at 31 December		
	2019	2020	2021
	RMB	RMB	RMB
Current liabilities:			
Short-term borrowings	250,000,000.00	300,000,000.00	379,084,500.00
Bills payables	–	–	11,711,394.76
Accounts payables	414,180,866.51	565,055,178.59	688,422,363.82
Receipts in advance	43,496,719.45	92,156,969.67	99,069,727.36
Contract liabilities	15,654,729.93	31,658,967.28	56,488,950.61
Payroll payables	48,016,232.66	69,249,197.17	109,326,962.65
Tax payables	42,234,040.73	36,395,949.16	77,148,868.42
Other payables	23,225,525.76	130,038,271.18	315,639,091.42
Non-current liabilities due within one year	–	–	36,100,524.61
Other current liabilities	–	11,710,828.65	16,266,890.53
Total current liabilities	<u>836,808,115.04</u>	<u>1,236,265,361.70</u>	<u>1,789,259,274.18</u>
Non-current liabilities:			
Long-term borrowings	–	–	61,739,286.66
Lease liabilities	–	–	43,782,262.14
Estimated liabilities	–	–	13,356,476.55
Deferred income	–	–	6,767,974.09
Deferred income tax liabilities	3,036,335.99	4,058,337.88	47,577,300.30
Total non-current liabilities	<u>3,036,335.99</u>	<u>4,058,337.88</u>	<u>173,223,299.74</u>
Total liabilities	<u>839,844,451.03</u>	<u>1,240,323,699.58</u>	<u>1,962,482,573.92</u>

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the years ended 31 December 2019, 2020 and 2021

	Attributable to owners of the Target Company							Minority shareholders' Interests	Total owners' equity
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Statutory reserve	Undistributed profit	Subtotal		
	RMB	RMB	RMB	RMB	RMB	RMB	RMB		
As at 1 January 2019	180,000,000.00	445,447.81	-	781,234.71	90,000,000.28	1,198,922,015.97	1,470,148,698.77	13,628,876.40	1,483,777,575.17
Total comprehensive income	-	-	-	7,914,644.12	-	362,228,839.28	370,143,483.40	(9,391,939.39)	360,751,544.01
Capital injection and reduction by owners	60,000,000.00	842,469,700.61	-	-	-	803,017.47	903,272,718.08	21,281,666.99	924,554,385.07
Profit distribution	-	-	-	-	29,999,999.72	(29,999,999.72)	-	-	-
Changes in equity for the year	60,000,000.00	842,469,700.61	-	7,914,644.12	29,999,999.72	333,031,857.03	1,273,416,201.48	11,889,727.60	1,285,305,929.08
As at 31 December 2019 and 1 January 2020	240,000,000.00	842,915,148.42	-	8,695,878.83	120,000,000.00	1,531,953,873.00	2,743,564,900.25	25,518,604.00	2,769,083,504.25
Total comprehensive income	-	-	-	676,529.55	-	430,031,421.66	430,707,951.21	8,575,226.57	439,283,177.78
Capital injection and reduction by owners	6,210,000.00	56,575,682.94	(83,045,184.89)	-	-	-	(20,259,501.95)	(12,281,785.81)	(32,541,287.76)
Profit distribution	-	-	-	-	3,105,000.00	(75,104,825.84)	(71,999,825.84)	-	(71,999,825.84)
Changes in equity for the year	6,210,000.00	56,575,682.94	(83,045,184.89)	676,529.55	3,105,000.00	354,926,595.82	338,448,623.42	(3,706,559.24)	334,742,064.18
As at 31 December 2020 and 1 January 2021	246,210,000.00	899,490,831.36	(83,045,184.89)	9,372,408.38	123,105,000.00	1,886,880,468.82	3,082,013,523.67	21,812,044.76	3,103,825,568.43
Total comprehensive income	-	-	-	(31,922,150.54)	-	529,824,909.40	497,902,758.86	21,092,767.55	518,995,526.41
Capital injection and reduction by owners	3,975,849.00	72,742,627.03	1,949,354.50	-	-	-	78,667,830.53	136,649,968.10	215,317,798.63
Profit distribution	-	-	-	-	45,407,477.24	(156,155,026.34)	(110,747,549.10)	-	(110,747,549.10)
Internal transfer of owner's equity	98,483,988.00	(98,483,988.00)	-	-	-	-	-	-	-
Others	-	-	-	-	-	(4,555,731.00)	(4,555,731.00)	-	(4,555,731.00)
Changes in equity for the year	102,459,837.00	(25,741,360.97)	1,949,354.50	(31,922,150.54)	45,407,477.24	369,114,152.06	461,267,309.29	157,742,735.65	619,010,044.94
As at 31 December 2021	348,669,837.00	873,749,470.39	81,095,830.39	(22,549,742.16)	168,512,477.24	2,255,994,620.88	3,543,280,832.96	179,554,780.41	3,722,835,613.37

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the years ended 31 December 2019, 2020 and 2021

	For the year ended 31 December		
	2019 RMB	2020 RMB	2021 RMB
Cash flows from operating activities:			
Cash received from sales of goods or rendering of services	1,888,779,192.50	2,143,711,561.45	3,554,642,826.45
Refund of taxes	16,236,841.23	39,814,062.63	55,458,008.26
Cash received from other operating activities	23,810,951.87	107,536,997.33	104,401,488.26
Subtotal of cash inflows from operating activities	1,928,826,985.60	2,291,062,621.41	3,714,502,322.97
Cash paid for goods and services	(1,096,522,284.23)	(1,203,967,104.70)	(2,365,159,126.34)
Cash paid to accrued staff costs	(306,310,452.66)	(337,964,021.07)	(595,855,231.71)
Taxes paid	(192,896,270.50)	(205,213,698.60)	(226,494,338.18)
Cash paid for other operating activities	(223,343,480.46)	(244,812,571.28)	(332,375,487.84)
Subtotal of cash outflows from operating activities	(1,819,072,487.85)	(1,991,957,395.65)	(3,519,884,184.07)
Net cash flows from operating activities	109,754,497.75	299,105,225.76	194,618,138.90
Cash flows from investing activities:			
Cash received from disposal of investment	–	20,000,000.00	–
Cash received from investment income	5,775,210.89	12,481,892.52	3,919,303.66
Cash paid for disposal of fixed assets, intangible assets and other long-term assets	38,750.00	33,599.40	58,617.32
Cash received from other investing activities	795,826,880.94	1,574,467,068.50	508,905,599.54
Subtotal of cash inflows from investing activities	801,640,841.83	1,606,982,560.42	512,883,520.52
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(36,121,365.27)	(32,966,049.84)	(54,900,994.27)
Cash paid for investments	(24,438,360.00)	(484,646,602.72)	(111,088,616.63)
Net cash paid to acquire subsidiaries and other operating entities	–	(31,745,429.13)	(51,527,180.10)
Cash paid relating to other investing activities	(1,405,730,000.00)	(959,120,000.00)	(500,000,000.00)
Subtotal of cash outflows from investing activities	(1,466,289,725.27)	(1,508,478,081.69)	(717,516,791.00)
Net cash flows from investing activities	(664,648,883.44)	98,504,478.73	(204,633,270.48)

APPENDIX II**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	For the year ended 31 December		
	2019 RMB	2020 RMB	2021 RMB
Cash flows from financing activities:			
Cash proceeds from investments	969,193,740.00	85,656,079.72	52,812,694.72
Cash proceeds from borrowings	250,000,000.00	300,000,000.00	410,611,213.09
Subtotal of cash inflows from financing activities	1,219,193,740.00	385,656,079.72	463,423,907.81
Cash repayment of borrowings	(200,000,000.00)	(250,000,000.00)	(319,566,016.37)
Cash paid for dividends, profits or interests	(11,571,971.68)	(83,472,497.91)	(123,854,566.76)
Cash paid relating to other financing activities	(35,821,130.00)	–	(10,118,284.98)
Subtotal of cash outflows from financing activities	(247,393,101.68)	(333,472,497.91)	(453,538,868.11)
Net cash flows from financing activities	971,800,638.32	52,183,581.81	9,885,039.70
Effect of foreign exchange rate changes on cash and cash equivalents	9,138,959.34	(8,613,640.90)	(46,828,318.54)
Net increase in cash and cash equivalents	426,045,211.97	441,179,645.40	(46,958,410.42)
Balance of cash and cash equivalents at the beginning of the period	633,424,484.17	1,059,469,696.14	1,500,649,341.54
Balance of cash and cash equivalents at the end of the period	1,059,469,696.14	1,500,649,341.54	1,453,690,931.12

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME*for the six months ended 30 June 2022*

	For the six months ended 30 June 2022 <i>RMB</i>
Total operating revenue	2,047,307,688.92
Operating costs	(1,274,526,031.20)
Taxes and surcharges	(14,646,617.76)
Selling expenses	(230,099,097.86)
Administrative expenses	(110,882,125.28)
Research and development expenses	(106,216,353.57)
Finance costs	1,300,359.39
Other gains	23,824,109.93
Investment income	(6,750,197.66)
Expected credit losses	(45,025,445.63)
Assets impairment loss	1,680,768.44
Gains from assets disposal	(90,240.54)
	<hr/>
Operating profit	285,876,817.18
Non-operating income	5,496,850.36
Non-operating expenses	(1,110,424.28)
	<hr/>
Total profit	290,263,243.26
Income tax expenses	(42,113,643.61)
	<hr/>
Net profit	248,149,599.65
	<hr/>
Other comprehensive income after tax:	
<i>Other comprehensive income that shall not be reclassified to profit or loss</i>	
Changes in fair value of investments in other equity instruments	(5,018,612.50)
	<hr/>
	(5,018,612.50)
	<hr/>

	For the six months ended 30 June 2022 <i>RMB</i>
<i>Other comprehensive income that will be reclassified to profit or loss</i>	
Exchange difference arising from foreign currency translation	(9,437,437.05)
	<u>(9,437,437.05)</u>
Other comprehensive income after tax attributable to the owners of the Target Company, net	(14,456,049.55)
Other comprehensive income after tax attributable to minority shareholders, net	(1,444,776.91)
	<u>(15,900,826.46)</u>
Other comprehensive income after tax, net	(15,900,826.46)
	<u>(15,900,826.46)</u>
Total comprehensive income	232,248,773.19
	<u><u>232,248,773.19</u></u>
Net profit attributable to the owners of the Target Company	236,792,839.81
Profit or loss of minority shareholders	11,356,759.84
	<u>248,149,599.65</u>
	<u><u>248,149,599.65</u></u>
Total comprehensive income attributable to the owners of the Target Company	222,336,790.26
Total comprehensive income attributable to the minority shareholders	9,911,982.93
	<u>232,248,773.19</u>
	<u><u>232,248,773.19</u></u>
Earnings per share:	
Basic earnings per share	0.48
	<u><u>0.48</u></u>
Diluted earnings per share	0.47
	<u><u>0.47</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

As at 30 June 2022

RMB

Current assets:	
Cash and bank balances	1,046,796,106.84
Bills receivables	54,156,615.22
Accounts receivables	2,297,640,719.73
Receivables financing	143,181,090.94
Prepayments	109,324,541.18
Other receivables	84,503,824.73
Inventories	695,855,800.48
Contract assets	2,377,861.76
Other current assets	8,336,805.85
	<hr/>
Total current assets	4,442,173,366.73
	<hr/>
Non-current assets:	
Long-term equity investments	125,178,437.09
Fixed assets	331,997,328.65
Construction in progress	62,588,827.03
Right-of-use assets	52,969,524.93
Intangible assets	200,835,021.47
Development expenses	3,399,875.90
Goodwill	416,782,282.15
Long-term deferred expenses	7,872,263.75
Deferred income tax assets	40,574,861.34
Other non-current assets	25,531,832.19
	<hr/>
Total non-current assets	1,267,730,254.50
	<hr/>
Total assets	5,709,903,621.23
	<hr/> <hr/>

As at 30 June 2022

RMB

Current liabilities:	
Short-term borrowings	483,735,200.00
Bills payables	15,424,362.56
Accounts payables	683,909,876.01
Receipts in advance	45,740,332.50
Contract liabilities	62,090,634.84
Payroll payables	63,770,559.60
Tax payables	87,966,447.04
Other payables	193,358,683.02
Non-current liabilities due within one year	35,234,440.28
Other current liabilities	8,327,708.84
	<hr/>
Total current liabilities	1,679,558,244.69
	<hr/>
Non-current liabilities:	
Long-term borrowings	77,399,057.85
Lease liabilities	37,783,168.57
Estimated liabilities	11,270,837.30
Deferred income	6,500,817.25
Deferred income tax liabilities	44,240,404.13
	<hr/>
Total non-current liabilities	177,194,285.10
	<hr/>
Total liabilities	1,856,752,529.79
	<hr/>
Owners' equity:	
Share capital	489,866,175.00
Capital reserve	773,109,913.99
Treasury shares	(56,408,265.68)
Other comprehensive income	(37,005,791.71)
Statutory reserve	167,761,591.10
Undistributed profit	2,346,604,049.90
	<hr/>
Total equity attributable to the owners of the Target Company	3,683,927,672.60
Minority shareholders' interests	169,223,418.84
	<hr/>
Total owners' equity	3,853,151,091.44
	<hr/>
Total liabilities and owners' equity	5,709,903,621.23
	<hr/> <hr/>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2022

	Attributable to owners of the Target Company						Subtotal	Minority shareholders' Interests	Total owners' equity
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Statutory reserve	Undistributed profit			
	RMB	RMB	RMB	RMB	RMB	RMB			
As at 1 January 2022	348,669,837.00	873,749,470.39	(81,095,830.39)	(22,549,742.16)	168,512,477.24	2,255,994,620.88	3,543,280,832.96	179,554,780.41	3,722,835,613.37
Total comprehensive income	-	-	-	(14,456,049.55)	-	236,792,839.81	222,336,790.26	9,911,982.93	232,248,773.19
Capital injection and reduction by owners	1,572,484.00	38,984,297.60	24,687,564.71	-	-	-	65,244,346.31	(20,243,344.50)	45,001,001.81
Profit distribution	-	-	-	-	-	(139,425,435.57)	(139,425,435.57)	-	(139,425,435.57)
Internal transfer of owner's equity	139,623,854.00	(139,623,854.00)	-	-	(750,886.14)	(6,757,975.22)	(7,508,861.36)	-	(7,508,861.36)
Changes in equity for the year	141,196,338.00	(100,639,556.40)	24,687,564.71	(14,456,049.55)	(750,886.14)	90,609,429.02	140,646,839.64	(10,331,361.57)	130,315,478.07
As at 30 June 2022	489,866,175.00	773,109,913.99	(56,408,265.68)	(37,005,791.71)	167,761,591.10	2,346,604,049.90	3,683,927,672.60	169,223,418.84	3,853,151,091.44

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2022

	For the six months ended 30 June 2022 <i>RMB</i>
Cash flows from operating activities:	
Cash received from sales of goods or rendering of services	1,525,790,824.76
Refund of taxes	25,747,542.26
Cash received from other operating activities	<u>84,380,854.35</u>
Subtotal of cash inflows from operating activities	<u>1,635,919,221.37</u>
Cash paid for goods and services	(1,066,225,432.91)
Cash paid to accrued staff costs	(392,029,411.72)
Taxes paid	(152,760,284.70)
Cash paid for other operating activities	<u>(234,654,305.80)</u>
Subtotal of cash outflows from operating activities	<u>(1,845,669,435.13)</u>
Net cash flows from operating activities	<u>(209,750,213.76)</u>
Cash flows from investing activities:	
Cash paid for disposal of fixed assets, intangible assets and other long-term assets	<u>14,213,066.86</u>
Subtotal of cash inflows from investing activities	<u>14,213,066.86</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(73,884,075.44)
Cash paid for investments	(31,587,954.00)
Net cash paid to acquire subsidiaries and other operating entities	(67,619,414.36)
Cash paid relating to other investing activities	<u>(3,000,000.00)</u>
Subtotal of cash outflows from investing activities	<u>(176,091,443.80)</u>
Net cash flows from investing activities	<u>(161,878,376.94)</u>

	For the six months ended 30 June 2022 <i>RMB</i>
Cash flows from financing activities:	
Cash proceeds from investments	10,536,565.00
Cash proceeds from borrowings	<u>421,540,700.00</u>
 Subtotal of cash inflows from financing activities	 <u>432,077,265.00</u>
 Cash repayment of borrowings	 (307,880,830.30)
Cash paid for dividends, profits or interests	(150,233,682.30)
Cash paid relating to other financing activities	<u>(40,721,562.58)</u>
 Subtotal of cash outflows from financing activities	 <u>(498,836,075.18)</u>
 Net cash flows from financing activities	 <u>(66,758,810.18)</u>
 Effect of foreign exchange rate changes on cash and cash equivalents	 <u>(1,498,115.65)</u>
 Net increase in cash and cash equivalents	 (439,885,516.53)
Balance of cash and cash equivalents at the beginning of the period	<u>1,453,690,931.12</u>
 Balance of cash and cash equivalents at the end of the period	 <u><u>1,013,805,414.59</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME*for the nine months ended 30 September 2022*For the
nine months ended
30 September 2022
RMB

Total operating revenue	3,404,628,602.68
Operating costs	(2,149,994,541.37)
Taxes and surcharges	(23,500,160.52)
Selling expenses	(358,854,139.50)
Administrative expenses	(169,618,391.26)
Research and development expenses	(162,537,270.05)
Finance costs	(1,094,008.16)
Other gains	43,481,443.29
Investment income	(6,381,727.67)
Gains on changes in fair value	115.00
Expected credit losses	(75,592,290.67)
Assets impairment loss	1,607,950.97
Gains from assets disposal	(85,368.93)
Operating profit	502,060,213.81
Non-operating income	5,235,548.96
Non-operating expenses	(1,189,965.15)
Total profit	506,105,797.62
Income tax expenses	(72,334,381.27)
Net profit	433,771,416.35
Other comprehensive income after tax:	
<i>Other comprehensive income that shall not be reclassified to profit or loss</i>	
Changes in fair value of investments in other equity instruments	(5,018,612.50)
	(5,018,612.50)
<i>Other comprehensive income that will be reclassified to profit or loss</i>	
Exchange difference arising from foreign currency translation	(4,251,860.26)
	(4,251,860.26)

	For the nine months ended 30 September 2022 <i>RMB</i>
Other comprehensive income after tax attributable to the owners of the Target Company, net	(9,270,472.76)
Other comprehensive income after tax attributable to minority shareholders, net	<u>(1,874,197.60)</u>
Other comprehensive income after tax, net	<u>(11,144,670.36)</u>
Total comprehensive income	<u><u>422,626,745.99</u></u>
Net profit attributable to the shareholders of the Target Company	416,102,260.43
Profit or loss of minority shareholders	<u>17,669,155.92</u>
	<u><u>433,771,416.35</u></u>
Total comprehensive income attributable to the owners of the Target Company	406,831,787.67
Total comprehensive income attributable to the minority shareholders	<u>15,794,958.32</u>
	<u><u>422,626,745.99</u></u>
Earnings per share:	
Basic earnings per share	<u><u>0.85</u></u>
Diluted earnings per share	<u><u>0.84</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2022

	As at 30 September 2022 RMB
Current assets:	
Cash and bank balances	1,030,250,441.48
Held-for-trading financial assets	1,000,900.00
Bills receivables	29,220,634.27
Accounts receivables	2,627,420,463.94
Receivables financing	164,877,188.97
Prepayments	118,821,515.43
Other receivables	73,525,270.88
Inventories	652,330,619.13
Contract assets	2,271,071.91
Other current assets	9,954,461.89
	<hr/>
Total current assets	4,709,672,567.90
	<hr/>
Non-current assets:	
Long-term equity investments	125,546,907.57
Investments in other equity instruments	9,000,000.00
Fixed assets	325,921,910.53
Construction in progress	64,437,602.28
Right-of-use assets	49,029,775.62
Intangible assets	196,912,345.66
Development expenses	14,384,800.14
Goodwill	416,782,282.13
Long-term deferred expenses	7,311,152.42
Deferred income tax assets	46,145,705.38
Other non-current assets	22,658,956.91
	<hr/>
Total non-current assets	1,278,131,438.64
	<hr/>
Total assets	5,987,804,006.54
	<hr/> <hr/>

APPENDIX II**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	As at 30 September 2022 RMB
Current liabilities:	
Short-term borrowings	543,735,200.00
Bills payables	23,913,407.67
Accounts payables	752,791,333.17
Receipts in advance	33,162,257.61
Contract liabilities	59,119,940.78
Payroll payables	72,296,668.75
Tax payables	101,053,639.25
Other payables	119,001,668.17
Non-current liabilities due within one year	33,176,325.30
Other current liabilities	8,245,582.17
	<u>1,746,496,022.87</u>
Total current liabilities	
Non-current liabilities:	
Long-term borrowings	90,740,753.67
Lease liabilities	35,422,606.90
Estimated liabilities	10,775,863.13
Deferred income	6,367,238.83
Deferred income tax liabilities	43,483,178.71
	<u>186,789,641.24</u>
Total non-current liabilities	
Total liabilities	<u>1,933,285,664.11</u>
Owners' equity:	
Share capital	489,756,790.00
Capital reserve	780,286,309.07
Treasury shares	(52,844,681.66)
Other comprehensive income	(31,820,214.92)
Statutory reserve	167,761,591.10
Undistributed profit	2,526,135,886.50
	<u>3,879,275,680.09</u>
Total equity attributable to the owners of the Target Company	
Minority shareholders' interests	175,242,662.34
	<u>4,054,518,342.43</u>
Total owners' equity	
Total liabilities and owners' equity	<u><u>5,987,804,006.54</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW

for the nine months ended 30 September 2022

**For the
nine months ended
30 September 2022**
RMB

Cash flows from operating activities:	
Cash received from sales of goods or rendering of services	2,536,271,543.93
Refund of taxes	44,912,215.38
Cash received from other operating activities	115,695,916.73
	<u>2,696,879,676.04</u>
Subtotal of cash inflows from operating activities	<u>2,696,879,676.04</u>
Cash paid for goods and services	(1,716,038,354.19)
Cash paid to accrued staff costs	(575,501,564.28)
Taxes paid	(253,503,090.52)
Cash paid for other operating activities	(342,271,974.49)
	<u>(2,887,314,983.48)</u>
Subtotal of cash outflows from operating activities	<u>(2,887,314,983.48)</u>
Net cash flows from operating activities	<u>(190,435,307.44)</u>
Cash flows from investing activities:	
Cash paid for disposal of fixed assets, intangible assets and other long-term assets	14,217,938.46
	<u>14,217,938.46</u>
Subtotal of cash inflows from investing activities	<u>14,217,938.46</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(104,514,564.44)
Cash paid for investments	(40,588,739.00)
Net cash paid to acquire subsidiaries and other operating entities	(120,287,414.36)
Cash paid relating to other investing activities	(1,000,000.48)
	<u>(266,390,718.28)</u>
Subtotal of cash outflows from investing activities	<u>(266,390,718.28)</u>
Net cash flows from investing activities	<u>(252,172,779.82)</u>

	For the nine months ended 30 September 2022 RMB
Cash flows from financing activities:	
Cash proceeds from investments	23,846,820.40
Cash proceeds from borrowings	538,540,700.00
	<hr/>
Subtotal of cash inflows from financing activities	(562,387,520.40)
	<hr/>
Cash repayment of borrowings	(354,367,938.71)
Cash paid for dividends, profits or interests	(156,327,483.22)
Cash paid relating to other financing activities	(40,931,562.59)
	<hr/>
Subtotal of cash outflows from financing activities	(551,626,984.52)
	<hr/>
Net cash flows from financing activities	10,760,535.88
	<hr/>
Effect of foreign exchange rate changes on cash and cash equivalents	4,780,559.98
	<hr/>
Net increase in cash and cash equivalents	(427,066,991.40)
Balance of cash and cash equivalents at the beginning of the period	1,453,690,931.12
	<hr/>
Balance of cash and cash equivalents at the end of the period	1,026,623,939.72
	<hr/> <hr/>

B. DIFFERENCES BETWEEN THE ACCOUNTING POLICIES ADOPTED BY THE COMPANY (HKFRS) AND THE TARGET COMPANY (PRC GAAP)

1. The Company confirms that there are immaterial differences between the accounting policies adopted in the preparation of the Public Target Financial Statements and the accounting policies adopted by the Company which comply with the HKFRS.
2. The following is the Reconciliation Information of the consolidated statements of financial position of the Target Group as at 31 December 2019, 2020, 2021, 30 June 2022 and 30 September 2022 and the consolidated statements of profit or loss and other comprehensive income of the Target Group for the years ended 31 December 2019, 2020 and 2021, six months ended 30 June 2022 and nine months ended 30 September 2022 and the consolidated statements of changes in equity of the Target Group for the years ended 31 December 2019, 2020 and 2021 and six months ended 30 June 2022 (together, the “**Published Financial Information of the Target Group**”) to address the differences, in all material respects, on the Target Group’s financial information had it been prepared in accordance with the Group’s accounting policies (the “**Adjusted Financial Information of the Target Group**”).
3. The process applied in the preparation of the Reconciliation Information is set out in the “Basis of Preparation” and “Reconciliation Process” sections below.

Basis of Preparation

The consolidated financial statements of the Target Group for the years ended 31 December 2019, 2020 and 2021 have been prepared in accordance with the PRC GAAP and have also been audited by the auditors of the Target Company, 中興華會計師事務所(特殊普通合夥) (Zhongxinghua Certified Public Accountants LLP) in accordance with the PRC GAAP. The unaudited consolidated financial statements of the Target Company for the six months ended 30 June 2022 and the nine months ended 30 September 2022 have also been prepared in accordance with the PRC GAAP.

The Reconciliation Information below for the years ended 31 December 2019, 2020 and 2021, six months ended 30 June 2022 and the nine months ended 30 September 2022 was extracted from the Public Target Financial Information set out in section A of this appendix, as if it had been prepared in accordance with the accounting policies adopted by the Group which are set out in the published annual reports of the Company for the years ended 31 December 2019, 2020 and 2021, second quarterly report of the Company for the six months ended 30 June 2022 and third quarterly report of the Company for the nine months ended 30 September 2022.

BDO was engaged by the Company to conduct work on the Reconciliation Information in accordance with the HKSAE 3000 issued by the HKICPA.

The work conducted by BDO consisted primarily of:

- (i) comparing the Published Financial Information of the Target Group with the audited consolidated financial statements of the Target Group under the PRC GAAP for the years ended 31 December 2019, 2020 and 2021, and the unaudited consolidated financial statements of the Target Group under the PRC GAAP for the six months ended 30 June 2022 and the nine months ended 30 September 2022, as set out in section A of this appendix (the “**Extracted Financial information of the Target Group**”);
- (ii) assessing the appropriateness of the adjustments made in arriving at the Adjusted Financial Information of the Target Group of the Reconciliation Information, which includes evaluating the differences between the accounting policies adopted by the Target Group as set out in the published annual reports of the Target Group for the years ended 31 December 2019, 2020 and 2021, the published interim report of the Target Group for the six months ended 30 June 2022 and the published third quarterly report of the Target Group for the nine months ended 30 September 2022 and the accounting policies adopted by the Group for the years ended 31 December 2019, 2020 and 2021, for the six months ended 30 June 2022 and for the nine months ended 30 September 2022 as set out in the published annual reports of the Company for the years ended 31 December 2019, 2020 and 2021, the published second quarterly report of the Company for the six months ended 30 June 2022 and the published third quarterly report of the Company for the nine months ended 30 September 2022 respectively, and obtaining evidence supporting the adjustments made in arriving at the Adjusted Financial Information of the Target Group of the Reconciliation Information; and
- (iii) checking the arithmetical accuracy of the computation of the Adjusted Financial Information of the Target Group of the Reconciliation Information.

For the purposes of this engagement, BDO are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Reconciliation Information, nor have BDO, in the course of this engagement, performed an audit or review of the financial information used in compiling the Reconciliation Information. BDO’s engagement was intended solely for the use of the Board in connection with this circular and may not be suitable for any other purpose.

Based on the work performed, BDO has concluded that:

- (i) the Published Financial Information of the Target Group of the Reconciliation Information is in agreement with the Extracted Financial information of the Target Group as set out in section A of this appendix;

- (ii) in all material respects, the adjustments made in arriving at the Adjusted Financial Information of the Target Group of the Reconciliation Information reflect the differences between the accounting policies adopted by the Target Group as set out in the published annual reports of the Target Group for the years ended 31 December 2019, 2020 and 2021, the published interim report of the Target Group for the six months ended 30 June 2022 and the published third quarterly report of the Target Group for the nine months ended 30 September 2022 and the accounting policies adopted by the Group for the years ended 31 December 2019, 2020 and 2021, for the six months ended 30 June 2022 and for the nine months ended 30 September 2022 as set out in the published annual reports of the Company for the years ended 31 December 2019, 2020 and 2021, the published second quarterly report of the Company for the six months ended 30 June 2022 and the published third quarterly report of the Company for the nine months ended 30 September 2022 respectively; and
- (iii) the computation of the Adjusted Financial Information of the Target Group of the Reconciliation Information is arithmetically accurate.

Reconciliation Process

The Reconciliation Information below has been prepared by the Directors by comparing the differences between the accounting policies adopted by the Target Group for each of the year ended 31 December 2019, 2020 and 2021, six months ended 30 June 2022 and nine months ended 30 September 2022 respectively, and the accounting policies adopted by the Group which are set out in the published annual reports of the Company for the years ended 31 December 2019, 2020 and 2021, second quarterly report of the Company for the six months ended 30 June 2022 and third quarterly report of the Company for the nine months ended 30 September 2022, as appropriate, and quantifying the relevant material financial effects of such differences, if any.

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2019

	Published Financial Information of the Target Group <i>(Audited)</i> RMB	Reconciliation Adjustments RMB <i>(Note 1)</i>	Reconciliation Adjustments RMB <i>(Note 3)</i>	Adjusted Financial Information of the Target Group <i>(Unaudited)</i> RMB
Total operating revenue	2,271,095,616.23			2,271,095,616.23
Operating costs	(1,372,623,809.51)			(1,372,623,809.51)
Taxes and surcharges	(15,674,133.54)	3,457,056.17		(12,217,077.37)
Selling expenses	(217,834,610.53)			(217,834,610.53)
Administrative expenses	(102,969,054.94)	(3,457,056.17)	159,972.80 472,023.60	(105,794,114.71)
Research and development expenses	(116,105,111.74)			(116,105,111.74)
Finance costs	(5,625,061.32)			(5,625,061.32)
Other gains	15,539,718.73			15,539,718.73
Investment income	(2,468,799.40)			(2,468,799.40)
Gain on changes in fair value	643,915.23			643,915.23
Expected credit losses	(36,626,719.72)			(36,626,719.72)
Assets impairment loss	(2,086,539.01)			(2,086,539.01)
Gains from assets disposal	1,384.20			1,384.20
Operating profit	415,266,794.68		631,996.40	415,898,791.08
Non-operating income	1,022,819.67			1,022,819.67
Non-operating expenses	(2,607,426.74)			(2,607,426.74)
Total profit	413,682,187.61			414,314,184.01
Income tax expenses	(61,567,333.35)			(61,567,333.35)
Net profit	352,114,854.26			352,746,850.66
Other comprehensive income after tax: <i>Other comprehensive income that will be reclassified to profit or loss</i>				
Exchange difference arising from foreign currency translation	7,914,644.12			7,914,644.12
	7,914,644.12			7,914,644.12

APPENDIX II
**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	Published Financial Information of the Target Group <i>(Audited)</i> RMB	Reconciliation Adjustments RMB <i>(Note 1)</i>	Reconciliation Adjustments RMB <i>(Note 3)</i>	Adjusted Financial Information of the Target Group <i>(Unaudited)</i> RMB
Other comprehensive income attributable to the owners of the Target Company, net	7,914,644.12			7,914,644.12
Other comprehensive income after tax attributable to minority shareholders	722,045.63			722,045.63
Other comprehensive income after tax, net	8,636,689.75			8,636,689.75
Total comprehensive income	360,751,544.01			361,383,540.41
Net profit attributable to the shareholders of the Target Company	362,228,839.28			362,860,835.68
Profit or loss of minority shareholders	(10,113,985.02)			(10,113,985.02)
	352,114,854.26			352,746,850.66
Total comprehensive income for the year attributable to the owners of the Target Company	370,143,483.40			370,775,479.80
Total comprehensive income for the year attributable to the minority shareholders	(9,391,939.39)			(9,391,939.39)
	360,751,544.01			361,383,540.41
Earnings per share:				
Basic earnings per share	1.81			1.81
Diluted earnings per share	1.81			1.81

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2019

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 2)	Reconciliation Adjustments RMB (Note 3)	Reconciliation Adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current assets						
Cash and bank balances	1,061,119,852.89					1,061,119,852.89
Held-for-trading financial assets	615,573,915.23					615,573,915.23
Bills receivables	422,637,033.15					422,637,033.15
Accounts receivables	870,780,033.21					870,780,033.21
Prepayments	4,805,568.48					4,805,568.48
Other receivables	11,386,227.58					11,386,227.58
Inventories	243,220,105.82					243,220,105.82
Other current assets	7,213,480.01					7,213,480.01
Total current assets	<u>3,236,736,216.37</u>					<u>3,236,736,216.37</u>
Non-current assets						
Long-term equity investments	963,518.99					963,518.99
Fixed assets	276,052,781.80	22,751,495.92		(3,199,456.00)		298,084,400.31
				2,319,605.79		
				159,972.80		
Construction in progress	5,203,387.63					5,203,387.63
Intangible assets	31,788,838.34	(22,751,495.92)		(9,440,472.00)		6,913,236.22
				6,844,342.20		
				472,023.60		
Goodwill	22,684,101.92				6,367,535.82	29,051,637.74
Long-term deferred expenses	2,417,963.50					2,417,963.50
Deferred income tax assets	19,240,261.25					19,240,261.25
Other non-current assets	13,840,885.48					13,840,885.48
Total non-current assets	<u>372,191,738.91</u>					<u>375,715,291.12</u>
Total assets	<u>3,608,927,955.28</u>					<u>3,612,451,507.49</u>

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET COMPANY

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 2)	Reconciliation Adjustments RMB (Note 3)	Reconciliation Adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current liabilities						
Short-term borrowings	250,000,000.00					250,000,000.00
Accounts payables	414,180,866.51					414,180,866.51
Receipts in advance	43,496,719.45					43,496,719.45
Contract liabilities	15,654,729.93					15,654,729.93
Payroll payables	48,016,232.66					48,016,232.66
Tax payables	42,234,040.73	(20,950,046.70)				21,283,994.03
Other payables	23,225,525.76	20,950,046.70				44,175,572.46
Total current liabilities	<u>836,808,115.04</u>					<u>836,808,115.04</u>
Non-current liabilities						
Deferred income tax liabilities	3,036,335.99					3,036,335.99
Total non-current liabilities	<u>3,036,335.99</u>					<u>3,036,335.99</u>
Total liabilities	<u>839,844,451.03</u>					<u>839,844,451.03</u>
Owners' equity:						
Share capital	240,000,000.00					240,000,000.00
Capital reserve	842,915,148.42			(2,901,788.00) (3,199,456.00) (9,440,472.00)		827,373,432.42
Other comprehensive income	8,695,878.83					8,695,878.83
Statutory reserve	120,000,000.00		11,277,607.58			131,277,607.58
Undistributed profit	1,531,953,873.00		(11,277,607.58)	2,901,788.00 2,319,605.79 6,844,342.20 159,972.80 472,023.60	6,367,535.82	1,539,741,533.63
Total equity attributable to the owners of the Target Company	2,743,564,900.25					2,747,088,452.46
Minority shareholders' interests	25,518,604.00					25,518,604.00
Total owners' equity	<u>2,769,083,504.25</u>					<u>2,772,607,056.46</u>
Total liabilities and owners' equity	<u><u>3,608,927,955.28</u></u>					<u><u>3,612,451,507.49</u></u>

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2019

	Attributable to owners of the Target Company					Subtotal RMB	Minority shareholders' interests RMB	Total owners' equity RMB
	Share capital RMB	Capital reserve RMB	Other comprehensive income RMB	Statutory reserve RMB	Undistributed profit RMB			
As at 1 January 2019 (Audited)	180,000,000.00	445,447.81	781,234.71	90,000,000.28	1,198,922,015.97	1,470,148,698.77	13,628,876.40	1,483,777,575.17
Reconciliation adjustments (Note 2)				11,277,607.58	(11,277,607.58)			
Reconciliation adjustments (Note 3)		(2,901,788.00)			2,901,788.00			
		(3,199,456.00)			2,319,605.79			
		(9,440,472.00)			6,844,342.20			
Reconciliation adjustments (Note 4)					6,367,535.82			
As at 1 January 2019 after reconciliation adjustments	180,000,000.00	(15,096,268.19)	781,234.71	101,277,607.86	1,206,077,680.20	1,473,040,254.58	13,628,876.40	1,486,669,130.98
Total comprehensive income	-	-	7,914,644.12	-	362,228,839.28	370,143,483.40	(9,391,939.39)	360,751,544.01
Reconciliation adjustments (Note 3)					159,972.80			
					472,023.60			
Total comprehensive income after reconciliation adjustments	-	-	7,914,644.12	-	362,860,835.68	370,775,479.80	(9,391,939.39)	361,383,540.41
Capital injection and reduction by owners	60,000,000.00	842,469,700.61	-	-	803,017.47	903,272,718.08	21,281,666.99	924,554,385.07
Profit distribution	-	-	-	29,999,999.72	(29,999,999.72)	-	-	-
Changes in equity for the year after reconciliation adjustments	60,000,000.00	842,469,700.61	7,914,644.12	29,999,999.72	333,663,853.43	1,274,048,197.88	11,889,727.60	1,285,937,925.48
As at 31 December 2019 after reconciliation adjustments (Unaudited)	240,000,000.00	827,373,432.42	8,695,878.83	131,277,607.58	1,539,741,533.63	2,747,088,452.46	25,518,604.00	2,772,607,056.46

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2020

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Total operating revenue	2,524,621,624.16			2,524,621,624.16
Operating costs	(1,535,185,880.11)			(1,535,185,880.11)
Taxes and surcharges	(15,931,064.17)	3,360,114.34		(12,570,949.83)
Selling expenses	(231,368,598.23)			(231,368,598.23)
Administrative expenses	(155,332,088.35)	(3,360,114.34)	159,972.80 472,023.60	(158,060,206.29)
Research and development expenses	(137,840,142.16)			(137,840,142.16)
Finance costs	(18,120,166.43)			(18,120,166.43)
Other gains	59,046,151.60			59,046,151.60
Investment income	32,608,398.00			32,608,398.00
Gain on changes in fair value	(643,915.23)			(643,915.23)
Expected credit losses	(39,729,398.54)			(39,729,398.54)
Assets impairment loss	(4,955,812.60)			(4,955,812.60)
Gains from assets disposal	23,997.85			23,997.85
Operating profit	477,193,105.79			477,825,102.19
Non-operating income	8,528,883.62			8,528,883.62
Non-operating expenses	(539,150.27)			(539,150.27)
Total profit	485,182,839.14			485,814,835.54
Income tax expenses	(46,046,957.06)			(46,046,957.06)
Net profit	439,135,882.08			439,767,878.48
Other comprehensive income after tax: <i>Other comprehensive income that will be reclassified to profit or loss</i>				
Exchange difference arising from foreign currency translation	676,529.55			676,529.55
	676,529.55			676,529.55

APPENDIX II
**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	Published Financial Information of the Target Group <i>(Audited)</i> RMB	Reconciliation Adjustments RMB <i>(Note 1)</i>	Reconciliation Adjustments RMB <i>(Note 3)</i>	Adjusted Financial Information of the Target Group <i>(Unaudited)</i> RMB
Other comprehensive income attributable to the owners of the Target Company, net	676,529.55			676,529.55
Other comprehensive income after tax attributable to minority shareholders	(529,233.85)			(529,233.85)
Other comprehensive income after tax, net	147,295.70			147,295.70
Total comprehensive income	439,283,177.78			439,915,174.18
Net profit attributable to the shareholders of the Target Company	430,031,421.66			430,663,418.06
Profit or loss of minority shareholders	9,104,460.42			9,104,460.42
	439,135,882.08			439,767,878.48
Total comprehensive income for the year attributable to:				
Total comprehensive income attributable to the owners of the Target Company	430,707,951.21			431,339,947.61
Total comprehensive income attributable to the minority shareholders	8,575,226.57			8,575,226.57
	439,283,117.78			439,915,174.18
Earnings per share:				
Basic earnings per share	1.79			1.79
Diluted earnings per share	1.77			1.77

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2020

	Published Financial Information of the Target Group <i>(Audited)</i> RMB	Reconciliation Adjustments RMB <i>(Note 1)</i>	Reconciliation Adjustments RMB <i>(Note 2)</i>	Reconciliation Adjustments RMB <i>(Note 3)</i>	Reconciliation Adjustments RMB <i>(Note 4)</i>	Adjusted Financial Information of the Target Group <i>(Unaudited)</i> RMB
Current assets						
Cash and bank balances	1,502,057,896.29					1,502,057,896.29
Bills receivables	230,045,383.02					230,045,383.02
Accounts receivables	1,116,998,943.40					1,116,998,943.40
Receivables financing	297,975,061.04					297,975,061.04
Prepayments	13,864,751.21					13,864,751.21
Other receivables	27,617,616.28					27,617,616.28
Inventories	353,314,523.77					353,314,523.77
Contract assets	1,121,187.77					1,121,187.77
Other current assets	9,609,103.45					9,609,103.45
Total current assets	<u>3,552,604,466.23</u>					<u>3,552,604,466.23</u>
Non-current assets						
Long-term equity investments	67,689,330.37					67,689,330.37
Investments in other equity instruments	17,000,000.00					17,000,000.00
Fixed assets	280,067,011.95	21,957,802.04		(3,199,456.00)		301,464,909.38
				2,479,578.59		
				159,972.80		
Construction in progress	752,475.25					752,475.25
Intangible assets	33,319,350.42	(21,957,802.04)		(9,440,472.00)		9,709,465.78
				7,316,365.80		
				472,023.60		
Goodwill	57,720,820.79				6,367,535.82	64,088,356.61
Long-term deferred expenses	1,938,012.72					1,938,012.72
Deferred income tax assets	29,648,042.99					29,648,042.99
Other non-current assets	303,409,757.29					303,409,757.29
Total non-current assets	<u>791,544,801.78</u>					<u>795,700,350.39</u>
Total assets	<u><u>4,344,149,268.01</u></u>					<u><u>4,348,304,816.62</u></u>

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET COMPANY

	Published Financial Information of the Target Group <i>(Audited)</i> RMB	Reconciliation Adjustments RMB <i>(Note 1)</i>	Reconciliation Adjustments RMB <i>(Note 2)</i>	Reconciliation Adjustments RMB <i>(Note 3)</i>	Reconciliation Adjustments RMB <i>(Note 4)</i>	Adjusted Financial Information of the Target Group <i>(Unaudited)</i> RMB
Current liabilities						
Short-term borrowings	300,000,000.00					300,000,000.00
Accounts payables	565,055,178.59					565,055,178.59
Receipts in advance	92,156,969.67					92,156,969.67
Contract liabilities	31,658,967.28					31,658,967.28
Payroll payables	69,249,197.17					69,249,197.17
Tax payables	36,395,949.16	(17,852,241.67)				18,543,707.49
Other payables	130,038,271.18	17,852,241.67				147,890,512.85
Other current liabilities	11,710,828.65					11,710,828.65
Total current liabilities	1,236,265,361.70					1,236,265,361.70
Non-current liabilities						
Deferred income tax liabilities	4,058,337.88					4,058,337.88
Total non-current liabilities	4,058,337.88					4,058,337.88
Total liabilities	1,240,323,699.58					1,240,323,699.58
Owners' equity:						
Share capital	246,210,000.00					246,210,000.00
Capital reserve	899,490,831.36			(2,901,788.00)		883,949,115.36
				(3,199,456.00)		
				(9,440,472.00)		
Treasury shares	(83,045,184.89)					(83,045,184.89)
Other comprehensive income	9,372,408.38					9,372,408.38
Statutory reserve	123,105,000.00		11,277,607.58			134,382,607.58
Undistributed profit	1,886,880,468.82		(11,277,607.58)	2,901,788.00	6,367,535.82	1,895,300,125.85
				2,479,578.59		
				7,316,365.80		
				159,972.80		
				472,023.60		
Total equity attributable to the owners of the Target Company	3,082,013,523.67					3,086,169,072.28
Minority shareholders' interests	21,812,044.76					21,812,044.76
Total owners' equity	3,103,825,568.43					3,107,981,107.04
Total liabilities and owners' equity	4,344,149,268.01					4,348,304,806.62

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2020

	Attributable to owners of the Target Company						Subtotal RMB	Minority shareholders' interests RMB	Total owners' equity RMB
	Share capital RMB	Capital reserve RMB	Treasury shares RMB	Other comprehensive income RMB	Statutory reserve RMB	Undistributed profit RMB			
As at 1 January 2020 (Audited)	240,000,000.00	842,915,148.42	-	8,695,878.83	120,000,000.00	1,531,953,873.00	2,743,564,900.25	25,518,604.00	2,769,083,504.25
Reconciliation adjustments (Note 2)				11,277,607.58	(11,277,607.58)				
Reconciliation adjustments (Note 3)		(2,901,788.00) (3,199,456.00) (9,440,472.00)				2,901,788.00 2,479,578.59 7,316,365.80			
Reconciliation adjustments (Note 4)						6,367,535.82			
As at 1 January 2020 after reconciliation adjustments	<u>240,000,000.00</u>	<u>827,373,432.42</u>	<u>-</u>	<u>8,695,878.83</u>	<u>131,277,607.58</u>	<u>1,539,741,533.63</u>	<u>2,747,088,452.46</u>	<u>25,518,604.00</u>	<u>2,772,607,056.46</u>
Total comprehensive income	-	-	-	676,529.55	-	430,031,421.66	430,707,951.21	8,575,226.57	439,283,177.78
Reconciliation adjustments (Note 3)						159,972.80 472,023.60			
Total comprehensive income after reconciliation adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>676,529.55</u>	<u>-</u>	<u>430,663,418.06</u>	<u>431,339,947.61</u>	<u>8,575,226.57</u>	<u>871,255,121.79</u>
Capital injection and reduction by owners	6,210,000.00	56,575,682.94	(83,045,184.89)	-	-	-	(20,259,501.95)	(12,281,785.81)	(32,541,287.76)
Profit distribution	-	-	-	-	3,105,000.00	(75,104,825.84)	(71,999,825.84)	-	(71,999,825.84)
Changes in equity for the year after reconciliation adjustments	<u>6,210,000.00</u>	<u>56,575,682.94</u>	<u>(83,045,184.89)</u>	<u>676,529.55</u>	<u>3,105,000.00</u>	<u>355,558,592.22</u>	<u>339,080,619.82</u>	<u>(3,706,559.24)</u>	<u>335,374,060.58</u>
As at 31 December 2020 after reconciliation adjustments (Unaudited)	<u><u>246,210,000.00</u></u>	<u><u>883,949,115.36</u></u>	<u><u>(83,045,184.89)</u></u>	<u><u>9,372,408.38</u></u>	<u><u>134,382,607.58</u></u>	<u><u>1,895,300,125.85</u></u>	<u><u>3,086,169,072.28</u></u>	<u><u>21,812,044.76</u></u>	<u><u>3,107,981,117.04</u></u>

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2021

	Published Financial Information of the Target Group <i>(Audited)</i> RMB	Reconciliation Adjustments RMB <i>(Note 1)</i>	Reconciliation Adjustments RMB <i>(Note 3)</i>	Adjusted Financial Information of the Target Group <i>(Unaudited)</i> RMB
Total operating revenue	3,863,392,959.52			3,863,392,959.52
Operating costs	(2,428,415,635.02)			(2,428,415,635.02)
Taxes and surcharges	(21,118,350.50)	6,595,850.12		(14,522,500.38)
Selling expenses	(406,389,064.38)			(406,389,064.38)
Administrative expenses	(216,188,226.65)	(6,595,850.12)	159,972.80 472,023.60	(222,152,080.37)
Research and development expenses	(186,238,038.81)			(186,238,038.81)
Finance costs	(20,630,464.50)			(20,630,464.50)
Other gains	65,660,593.09			65,660,593.09
Investment income	(161,116.92)			(161,116.92)
Expected credit losses	(19,350,567.09)			(19,350,567.09)
Assets impairment loss	(2,757,744.12)			(2,757,744.12)
Gains from assets disposal	16,314.53			16,314.53
Operating profit	627,820,659.15			628,452,655.55
Non-operating income	3,168,385.89			3,168,385.89
Non-operating expenses	(2,051,056.22)			(2,051,056.22)
Total profit	628,937,988.82			629,569,985.22
Income tax expenses	(74,517,517.97)			(74,517,517.97)
Net profit	554,420,470.85			555,052,467.25
Other comprehensive income after tax: <i>Other comprehensive income that shall not be reclassified to profit or loss</i>				
Changes in fair value of investments in other equity instruments	5,018,612.50			5,018,612.50
	5,018,612.50			5,018,612.50

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET COMPANY

	Published Financial Information of the Target Group <i>(Audited)</i> RMB	Reconciliation Adjustments RMB <i>(Note 1)</i>	Reconciliation Adjustments RMB <i>(Note 3)</i>	Adjusted Financial Information of the Target Group <i>(Unaudited)</i> RMB
<i>Other comprehensive income that will be reclassified to profit or loss</i>				
Other comprehensive income that will be reclassified to profit or loss under equity method	31,911.00			31,911.00
Exchange difference arising from foreign currency translation	(36,972,674.04)			(36,972,674.04)
	<u>(36,940,763.04)</u>			<u>(36,972,674.04)</u>
Other comprehensive income attributable to the owners of the Target Company, net	(31,922,150.54)			(31,922,150.54)
Other comprehensive income after tax attributable to minority shareholders	(3,502,793.90)			(3,502,793.90)
Total other comprehensive income	<u>(35,424,944.44)</u>			<u>(35,424,944.44)</u>
Total comprehensive income for the year	<u>518,995,526.41</u>			<u>519,627,522.81</u>
Net profit attributable to the shareholders of the Target Company	529,824,909.40			530,456,905.80
Profit or loss of minority shareholders	24,595,561.45			24,595,561.45
	<u>554,420,470.85</u>			<u>555,052,467.25</u>
Total comprehensive income attributable to the owners of the Target Company	497,902,758.86			498,534,755.26
Total comprehensive income attributable to the minority shareholders	21,092,767.55			21,092,767.55
	<u>518,995,256.41</u>			<u>519,627,522.81</u>
Earnings per share:				
Basic earnings per share	<u>1.53</u>			<u>1.53</u>
Diluted earnings per share	<u>1.49</u>			<u>1.49</u>

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2021

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 2)	Reconciliation Adjustments RMB (Note 3)	Reconciliation Adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current assets						
Cash and bank balances	1,483,828,405.22					1,483,828,405.22
Bills receivables	109,111,539.31					109,111,539.31
Accounts receivables	1,562,665,067.25					1,562,665,067.25
Receivables financing	386,375,935.69					386,375,935.69
Prepayments	99,895,933.40					99,895,933.40
Other receivables	44,565,639.06					44,565,639.06
Inventories	702,481,775.49					702,481,775.49
Contract assets	2,686,875.01					2,686,875.01
Other current assets	10,329,320.22					10,329,320.22
Total current assets	4,401,940,490.65					4,401,940,490.65
Non-current assets						
Long-term equity investments	85,895,431.39					85,895,431.39
Investments in other equity instruments	47,904,250.00					47,904,250.00
Fixed assets	370,040,059.23	21,461,808.16		(3,199,456.00)		391,101,935.58
				2,639,551.39		
				159,972.80		
Construction in progress	39,861,805.87					39,861,805.87
Right-of-use assets	58,201,148.25					58,201,148.25
Intangible assets	196,624,741.66	(21,461,808.16)		(9,440,472.00)		173,982,874.50
				7,788,389.40		
				472,023.60		
Development expenses	3,049,186.22					3,049,186.22
Goodwill	415,966,112.21				6,367,535.82	422,333,648.03
Long-term deferred expenses	8,431,433.79					8,431,433.79
Deferred income tax assets	36,162,800.22					36,162,800.22
Other non-current assets	21,240,727.80					21,240,727.80
Total non-current assets	1,283,377,696.64					1,288,165,241.65
Total assets	5,685,318,187.29					5,690,105,732.30

APPENDIX II
**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 2)	Reconciliation Adjustments RMB (Note 3)	Reconciliation Adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current liabilities						
Short-term borrowings	379,084,500.00					379,084,500.00
Bills payables	11,711,394.76					11,711,394.76
Accounts payables	688,422,363.82					688,422,363.82
Receipts in advance	99,069,727.36					99,069,727.36
Contract liabilities	56,488,950.61					56,488,950.61
Payroll payables	109,326,962.65					109,326,962.65
Tax payables	77,148,868.42	(48,338,975.52)				28,809,892.90
Other payables	315,639,091.42	48,338,975.52				363,978,066.94
Non-current liabilities due within one year	36,100,524.61					36,100,524.61
Other current liabilities	16,266,890.53					16,266,890.53
Total current liabilities	1,789,259,274.18					1,789,259,274.18
Non-current liabilities						
Long-term borrowings	61,739,286.66					61,739,286.66
Lease liabilities	43,782,262.14					43,782,262.14
Estimated liabilities	13,356,476.55					13,356,476.55
Deferred income	6,767,974.09					6,767,974.09
Deferred income tax liabilities	47,577,300.30					47,577,300.30
Total non-current liabilities	173,223,299.74					173,223,299.74
Total liabilities	1,962,482,573.92					1,962,482,573.92
Owners' equity:						
Share capital	348,669,837.00					348,669,837.00
Capital reserve	873,749,470.39			(2,901,788.00)		858,207,754.39
				(3,199,456.00)		
				(9,440,472.00)		858,207,754.39
Treasury shares	(81,095,830.39)					(81,095,830.39)
Other comprehensive income	(22,549,742.16)					(22,549,742.16)
Statutory reserve	168,512,477.24		11,423,578.72			179,936,055.96
Undistributed profit	2,255,994,620.88		(11,423,578.72)	2,901,788.00	6,367,535.82	2,264,900,303.17
				2,639,551.39		
				7,788,389.40		
				159,972.80		
				472,023.60		
Total equity attributable to the owners of the Target Company	3,543,280,832.96					3,548,068,377.97
Minority shareholders' interests	179,554,780.41					179,554,780.41
Total owners' equity	3,722,835,613.37					3,727,623,158.38
Total liabilities and owners' equity	5,685,318,187.29					5,690,105,732.30

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Target Company						Subtotal RMB	Minority shareholders' interests RMB	Total owners' equity RMB
	Share capital RMB	Capital reserve RMB	Treasury shares RMB	Other comprehensive income RMB	Statutory reserve RMB	Undistributed profit RMB			
As at 1 January 2021 (Audited)	246,210,000.00	899,490,831.36	(83,045,184.89)	9,372,408.38	123,105,000.00	1,886,880,468.82	3,082,013,523.67	21,812,044.76	3,103,825,568.43
Reconciliation adjustments (Note 2)					11,423,578.72	(11,423,578.72)			
Reconciliation adjustments (Note 3)		(2,901,788.00) (3,199,456.00) (9,440,472.00)				2,901,788.00 2,639,551.39 7,788,389.40			
Reconciliation adjustments (Note 4)						6,367,535.82			
As at 1 January 2021 after reconciliation adjustments	<u>246,210,000.00</u>	<u>883,949,115.36</u>	<u>(83,045,184.89)</u>	<u>9,372,408.38</u>	<u>134,528,578.72</u>	<u>1,895,154,154.71</u>	<u>3,086,169,072.28</u>	<u>21,812,044.76</u>	<u>3,107,981,117.04</u>
Total comprehensive income	-	-	-	(31,922,150.54)	-	529,824,909.40	497,902,758.86	21,092,767.55	518,995,526.41
Reconciliation adjustments (Note 3)						159,972.80 472,023.60			
Total comprehensive income after reconciliation adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,922,150.54)</u>	<u>-</u>	<u>530,456,905.80</u>	<u>498,534,755.26</u>	<u>21,092,767.55</u>	<u>519,627,522.81</u>
Capital injection and reduction by owners	3,975,849.00	72,742,627.03	1,949,354.50	-	-	-	78,667,830.53	136,649,968.10	215,317,798.63
Profit distribution	-	-	-	-	45,407,477.24	(156,155,026.34)	(110,747,549.10)	-	(110,747,549.10)
Internal transfer of owner's equity	98,483,988.00	(98,483,988.00)	-	-	-	-	-	-	-
Others	-	-	-	-	-	(4,555,731.00)	(4,555,731.00)	-	(4,555,731.00)
Changes in equity for the year after reconciliation adjustments	<u>102,459,837.00</u>	<u>(25,741,360.97)</u>	<u>1,949,354.50</u>	<u>(31,922,150.54)</u>	<u>45,407,477.24</u>	<u>369,746,148.46</u>	<u>461,899,305.69</u>	<u>157,742,735.65</u>	<u>619,642,041.34</u>
As at 31 December 2021 after reconciliation adjustments (Unaudited)	<u><u>348,669,837.00</u></u>	<u><u>858,207,754.39</u></u>	<u><u>(81,095,830.39)</u></u>	<u><u>(22,549,742.16)</u></u>	<u><u>179,936,055.96</u></u>	<u><u>2,264,900,303.17</u></u>	<u><u>3,548,068,377.97</u></u>	<u><u>179,554,780.41</u></u>	<u><u>3,727,623,158.38</u></u>

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET COMPANY PREPARED
UNDER PRC GAAP TO HKFRS FOR THE PERIOD ENDED 30 JUNE 2022

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Total operating revenue	2,047,307,688.92			2,047,307,688.92
Operating costs	(1,274,526,031.20)			(1,274,526,031.20)
Taxes and surcharges	(14,646,617.76)	5,148,856.40		(9,497,761.36)
Selling expenses	(230,099,097.86)			(230,099,097.86)
Administrative expenses	(110,882,125.28)	(5,148,856.40)	79,986.40 236,011.80	(115,714,983.48)
Research and development expenses	(106,216,353.57)			(106,216,353.57)
Finance costs	1,300,359.39			1,300,359.39
Other gains	23,824,109.93			23,824,109.93
Investment income	(6,750,197.66)			(6,750,197.66)
Expected credit losses	(45,025,445.63)			(45,025,445.63)
Assets impairment loss	1,680,768.44			1,680,768.44
Gains from assets disposal	(90,240.54)			(90,240.54)
Operating profit	285,876,817.18			286,192,815.38
Non-operating income	5,496,850.36			5,496,850.36
Non-operating expenses	(1,110,424.28)			(1,110,424.28)
Total profit	290,263,243.26			290,579,241.46
Income tax expenses	(42,113,643.61)			(42,113,643.61)
Net profit	248,149,599.65			248,465,597.85
Other comprehensive income after tax: <i>Other comprehensive income that shall not be reclassified to profit or loss</i>				
Changes in fair value of investments in other equity instruments	(5,018,612.50)			(5,018,612.50)
	(5,018,612.50)			(5,018,612.50)

APPENDIX II

FINANCIAL INFORMATION OF THE TARGET COMPANY

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
<i>Other comprehensive income that will be reclassified to profit or loss</i>				
Exchange difference arising from foreign currency translation	(9,437,437.05)			(9,437,437.05)
	<u>(9,437,437.05)</u>			<u>(9,437,437.05)</u>
Other comprehensive income after tax attributable to the owners of the Target Company, net	(14,456,049.55)			(14,456,049.55)
Other comprehensive income after tax attributable to minority shareholders, net	(1,444,776.91)			(1,444,776.91)
Other comprehensive income after tax, net	<u>(15,900,826.46)</u>			<u>(15,900,826.46)</u>
Total comprehensive income	<u>232,248,773.19</u>			<u>232,564,771.39</u>
Net profit attributable to the owners of the Target Company	236,792,839.81			237,108,838.01
Profit or loss of minority shareholders	11,356,759.84			11,356,759.84
	<u>248,149,599.65</u>			<u>248,465,597.85</u>
Total comprehensive income attributable to the owners of the Target Company	222,336,790.26			222,652,788.46
Total comprehensive income attributable to the minority shareholders	9,911,982.93			9,911,982.93
	<u>232,248,773.19</u>			<u>232,564,771.39</u>
Earnings per share:				
Basic earnings per share	<u>0.48</u>			<u>0.48</u>
Diluted earnings per share	<u>0.47</u>			<u>0.47</u>

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE PERIOD ENDED 30 JUNE 2022

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 2)	Reconciliation Adjustments RMB (Note 3)	Reconciliation Adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current assets						
Cash and bank balances	1,046,796,106.84					1,046,796,106.84
Bills receivables	54,156,615.22					54,156,615.22
Accounts receivables	2,297,640,719.73					2,297,640,719.73
Receivables financing	143,181,090.94					143,181,090.94
Prepayments	109,324,541.18					109,324,541.18
Other receivables	84,503,824.73					84,503,824.73
Inventories	695,855,800.48					695,855,800.48
Contract assets	2,377,861.76					2,377,861.76
Other current assets	8,336,805.85					8,336,805.85
Total current assets	4,442,173,366.73					4,442,173,366.73
Non-current assets						
Long-term equity investments	125,178,437.09					125,178,437.09
Fixed assets	331,997,328.65	21,881,881.22		(3,199,456.00)		353,559,264.46
				2,799,524.19		
				79,986.40		
Construction in progress	62,588,827.03					62,588,827.03
Right-of-use assets	52,969,524.93					52,969,524.93
Intangible assets	200,835,021.47	(21,881,881.22)		(9,440,472.00)		178,009,093.05
				8,260,413.00		
				236,011.80		
Development expenses	3,399,875.90					3,399,875.90
Goodwill	416,782,282.15				6,367,535.82	423,149,817.97
Long-term deferred expenses	7,872,263.75					7,872,263.75
Deferred income tax assets	40,574,861.34					40,574,861.34
Other non-current assets	25,531,832.19					25,531,832.19
Total non-current assets	1,267,730,254.50					1,272,833,797.71
Total assets	<u>5,709,903,621.23</u>					<u>5,715,007,164.44</u>

APPENDIX II
**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 2)	Reconciliation Adjustments RMB (Note 3)	Reconciliation Adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current liabilities						
Short-term borrowings	483,735,200.00					483,735,200.00
Bills payables	15,424,362.56					15,424,362.56
Accounts payables	683,909,876.01					683,909,876.01
Receipts in advance	45,740,332.50					45,740,332.50
Contract liabilities	62,090,634.84					62,090,634.84
Payroll payables	63,770,559.60					63,770,559.60
Tax payables	87,966,447.04	(73,146,862.56)				14,819,584.48
Other payables	193,358,683.02	73,146,862.56				266,505,545.58
Non-current liabilities due within one year	35,234,440.28					35,234,440.28
Other current liabilities	8,327,708.84					8,327,708.84
Total current liabilities	1,679,558,244.69					1,679,558,244.69
Non-current liabilities						
Long-term borrowings	77,399,057.85					77,399,057.85
Lease liabilities	37,783,168.57					37,783,168.57
Estimated liabilities	11,270,837.30					11,270,837.30
Deferred income	6,500,817.25					6,500,817.25
Deferred income tax liabilities	44,240,404.13					44,240,404.13
Total non-current liabilities	177,194,285.10					177,194,285.10
Total liabilities	1,856,752,529.79					1,856,752,529.79
Owners' equity:						
Share capital	489,866,175.00					489,866,175.00
Capital reserve	773,109,913.99			(2,901,788.00)		757,568,197.99
				(3,199,456.00)		
				(9,440,472.00)		
Treasury shares	(56,408,265.68)					(56,408,265.68)
Other comprehensive income	(37,005,791.71)					(37,005,791.71)
Statutory reserve	167,761,591.10		11,423,578.72			179,185,169.82
Undistributed profit	2,346,604,049.90		(11,423,578.72)	2,901,788.00	6,367,535.82	2,355,825,730.39
				2,799,524.19		
				8,260,413.00		
				79,986.40		
				236,011.80		
Total equity attributable to the owners of the Target Company	3,683,927,672.60					3,689,031,215.81
Minority shareholders' interests	169,223,418.84					169,223,418.84
Total owners' equity	3,853,151,091.44					3,858,254,634.65
Total liabilities and owners' equity	5,709,903,621.23					5,715,007,164.44

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE PERIOD ENDED 30 JUNE 2022

	Attributable to owners of the Target Company						Subtotal RMB	Minority shareholders' interests RMB	Total owners' equity RMB
	Share capital RMB	Capital reserve RMB	Treasury shares RMB	Other comprehensive income RMB	Statutory reserve RMB	Undistributed profit RMB			
As at 1 January 2022 (Audited)	348,669,837.00	873,749,470.39	(81,095,830.39)	(22,549,742.16)	168,512,477.24	2,255,994,620.88	3,543,280,832.96	179,554,780.41	3,722,835,613.37
Reconciliation adjustments (Note 2)					11,423,578.72	(11,423,578.72)			
Reconciliation adjustments (Note 3)		(2,901,788.00)				2,901,788.00			
		(3,199,456.00)				2,799,524.19			
		(9,440,472.00)				8,260,413.00			
Reconciliation adjustments (Note 4)						6,367,535.82			
As at 1 January 2022 after reconciliation adjustments	<u>348,669,837.00</u>	<u>858,207,754.39</u>	<u>(81,095,830.39)</u>	<u>(22,549,742.16)</u>	<u>179,936,055.96</u>	<u>2,264,900,303.17</u>	<u>3,548,068,377.97</u>	<u>179,554,780.41</u>	<u>3,727,623,158.38</u>
Total comprehensive income	-	-	-	(14,456,049.55)	-	236,792,839.81	222,336,790.26	9,911,982.93	232,248,773.19
Reconciliation adjustments (Note 3)						79,986.40			
						236,011.80			
Total comprehensive income after reconciliation adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,456,049.55)</u>	<u>-</u>	<u>237,108,838.01</u>	<u>222,652,788.46</u>	<u>9,911,982.93</u>	<u>232,564,771.39</u>
Capital injection and reduction by owners	1,572,484.00	38,984,297.60	24,687,564.71	-	-	-	65,244,346.31	(20,243,344.50)	45,001,001.81
Profit distribution	-	-	-	-	-	(139,425,435.57)	(139,425,435.57)	-	(139,425,435.57)
Internal transfer of owner's equity	139,623,854.00	(139,623,854.00)	-	-	(750,886.14)	(6,757,975.22)	(7,508,861.36)	-	(7,508,861.36)
Changes in equity for the period after reconciliation adjustments	<u>141,196,338.00</u>	<u>(100,639,556.40)</u>	<u>24,687,564.71</u>	<u>(14,456,049.55)</u>	<u>(750,886.14)</u>	<u>90,925,427.22</u>	<u>140,962,837.84</u>	<u>(10,331,361.57)</u>	<u>130,631,476.27</u>
As at 30 June 2022 after reconciliation adjustments (Unaudited)	<u>489,866,175.00</u>	<u>757,568,197.99</u>	<u>(56,408,265.68)</u>	<u>(37,005,791.71)</u>	<u>179,185,169.82</u>	<u>2,355,825,730.39</u>	<u>3,689,031,215.81</u>	<u>169,223,418.84</u>	<u>3,858,254,634.65</u>

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Total operating revenue	3,404,628,602.68			3,404,628,602.68
Operating costs	(2,149,994,541.37)			(2,149,994,541.37)
Taxes and surcharges	(23,500,160.52)	7,662,682.06		(15,837,478.46)
Selling expenses	(358,854,139.50)			(358,854,139.50)
Administrative expenses	(169,618,391.26)	(7,662,682.06)	119,979.60 354,017.70	(176,807,076.02)
Research and development expenses	(162,537,270.05)			(162,537,270.05)
Finance costs	(1,094,008.16)			(1,094,008.16)
Other gains	43,481,443.29			43,481,443.29
Investment income	(6,381,727.67)			(6,381,727.67)
Gains on changes in fair value	115.00			115.00
Expected credit losses	(75,592,290.67)			(75,592,290.67)
Assets impairment loss	1,607,950.97			1,607,950.97
Gains from assets disposal	(85,368.93)			(85,368.93)
Operating profit	502,060,213.81			502,534,211.11
Non-operating income	5,235,548.96			5,235,548.96
Non-operating expenses	(1,189,965.15)			(1,189,965.15)
Total profit	506,105,797.62			506,579,794.92
Income tax expenses	(72,334,381.27)			(72,334,381.27)
Net profit	433,771,416.35			434,245,413.65
Other comprehensive income after tax: <i>Other comprehensive income that shall not be reclassified to profit or loss</i>				
Changes in fair value of investments in other equity instruments	(5,018,612.50)			(5,018,612.50)
	(5,018,612.50)			(5,018,612.50)

APPENDIX II
**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
<i>Other comprehensive income that will be reclassified to profit or loss</i>				
Exchange difference arising from foreign currency translation	(4,251,860.26)			(4,251,860.26)
	<u>(4,251,860.26)</u>			<u>(4,251,860.26)</u>
Other comprehensive income after tax attributable to the owners of the Target Company, net	(9,270,472.76)			(9,270,472.76)
Other comprehensive income after tax attributable to minority shareholders, net	(1,874,197.60)			(1,874,197.60)
Other comprehensive income after tax, net	<u>(11,144,670.36)</u>			<u>(11,144,670.36)</u>
Total comprehensive income	<u>422,626,745.99</u>			<u>423,100,743.29</u>
Net profit attributable to the owners of the Target Company	416,102,260.43			416,576,257.73
Profit or loss of minority shareholders	17,669,155.92			17,669,155.92
	<u>433,771,416.35</u>			<u>434,245,413.65</u>
Total comprehensive income attributable to the owners of the Target Company	406,831,787.67			407,305,784.97
Total comprehensive income attributable to the minority shareholders	15,794,958.32			15,794,958.32
	<u>422,626,745.99</u>			<u>423,100,743.29</u>
Earnings per share:				
Basic earnings per share	<u>0.85</u>			<u>0.85</u>
Diluted earnings per share	<u>0.84</u>			<u>0.84</u>

RECONCILIATION OF FINANCIAL INFORMATION OF TARGET GROUP PREPARED
UNDER PRC GAAP TO HKFRS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 2)	Reconciliation Adjustments RMB (Note 3)	Reconciliation Adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current assets						
Cash and bank balances	1,030,250,441.48					1,030,250,441.48
Held-for-trading financial assets	1,000,900.00					1,000,900.00
Bills receivables	29,220,634.27					29,220,634.27
Accounts receivables	2,627,420,463.94					2,627,420,463.94
Receivables financing	164,877,188.97					164,877,188.97
Prepayments	118,821,515.43					118,821,515.43
Other receivables	73,525,270.88					73,525,270.88
Inventories	652,330,619.13					652,330,619.13
Contract assets	2,271,071.91					2,271,071.91
Other current assets	9,954,461.89					9,954,461.89
Total current assets	4,709,672,567.90					4,709,672,567.90
Non-current assets						
Long-term equity investments	125,546,907.57					125,546,907.57
Investments in other equity instruments	9,000,000.00					9,000,000.00
Fixed assets	325,921,910.53	21,837,117.75		(3,199,456.00)		347,479,076.07
				2,799,524.19		
				119,979.60		
Construction in progress	64,437,602.28					64,437,602.28
Right-of-use assets	49,029,775.62					49,029,775.62
Intangible assets	196,912,345.66	(21,837,117.75)		(9,440,472.00)		174,249,186.61
				8,260,413.00		
				354,017.70		
Development expenses	14,384,800.14					14,384,800.14
Goodwill	416,782,282.13				6,367,535.82	423,149,817.95
Long-term deferred expenses	7,311,152.42					7,311,152.42
Deferred income tax assets	46,145,705.38					46,145,705.38
Other non-current assets	22,658,956.91					22,658,956.91
Total non-current assets	1,278,131,438.64					1,283,392,980.95
Total assets	<u>5,987,804,006.54</u>					<u>5,993,065,548.85</u>

APPENDIX II
**FINANCIAL INFORMATION
OF THE TARGET COMPANY**

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation Adjustments RMB (Note 1)	Reconciliation Adjustments RMB (Note 2)	Reconciliation Adjustments RMB (Note 3)	Reconciliation Adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current liabilities						
Short-term borrowings	543,735,200.00					543,735,200.00
Bills payables	23,913,407.67					23,913,407.67
Accounts payables	752,791,333.17					752,791,333.17
Receipts in advance	33,162,257.61					33,162,257.61
Contract liabilities	59,119,940.78					59,119,940.78
Payroll payables	72,296,668.75					72,296,668.75
Tax payables	101,053,639.25	(73,888,804.10)				27,164,835.15
Other payables	119,001,668.17	73,888,804.10				192,890,472.27
Non-current liabilities due within one year	33,176,325.30					33,176,325.30
Other current liabilities	8,245,582.17					8,245,582.17
Total current liabilities	1,746,496,022.87					1,746,496,022.87
Non-current liabilities						
Long-term borrowings	90,740,753.67					90,740,753.67
Lease liabilities	35,422,606.90					35,422,606.90
Estimated liabilities	10,775,863.13					10,775,863.13
Deferred income	6,367,238.83					6,367,238.83
Deferred income tax liabilities	43,483,178.71					43,483,178.71
Total non-current liabilities	186,789,641.24					186,789,641.24
Total liabilities	1,933,285,664.11					1,933,285,664.11
Owners' equity:						
Share capital	489,756,790.00					489,756,790.00
Capital reserve	780,286,309.07			(2,901,788.00)		764,744,593.07
				(3,199,456.00)		
				(9,440,472.00)		
Treasury shares	(52,844,681.66)					(52,844,681.66)
Other comprehensive income	(31,820,214.92)					(31,820,214.92)
Statutory reserve	167,761,591.10		11,423,578.72			179,185,169.82
Undistributed profit	2,526,135,886.50		(11,423,578.72)	2,901,788.00	6,367,535.82	2,535,515,566.09
				2,799,524.19		
				8,260,413.00		
				119,979.60		
				354,017.70		
Total equity attributable to the owners of the Target Company	3,879,275,680.09					3,884,537,222.40
Minority shareholders' interests	175,242,662.34					175,242,662.34
Total owners' equity	4,054,518,342.43					4,059,779,884.74
Total liabilities and owners' equity	5,987,804,006.54					5,993,065,548.85

The consolidated statements of cash flows are not presented as there are no significant differences except for presentation differences.

Note 1: Reclassification of accounting items

Certain Target Group's figures in the consolidated statements of financial position, consolidated statements of comprehensive income and consolidated statements of changes in equity have been reclassified to conform to the Group's presentation and classification and the details are illustrated as below:

(i) "Administrative expenses" reclassified to "Taxes and surcharges"

	Nine months ended 30 September 2022 RMB	Six months ended 30 June 2022 RMB	Year ended 31 December		
			2021 RMB	2020 RMB	2019 RMB
Increase in administrative expenses	(7,662,682.06)	(5,148,856.40)	(6,595,850.12)	(3,360,114.34)	(3,457,056.17)
Decrease in taxes and surcharges	7,662,682.06	5,148,856.40	6,595,850.12	3,360,114.34	3,457,056.17

(ii) Land use rights under "Intangible assets" reclassified to "Fixed assets"

	As at 30 September 2022 RMB	As at 30 June 2022 RMB	As at 31 December		
			2021 RMB	2020 RMB	2019 RMB
Decrease in intangible assets	(21,837,117.75)	(21,881,881.22)	(21,461,808.16)	(21,957,802.04)	(22,751,495.92)
Increase in fixed assets	21,837,117.75	21,881,881.22	21,461,808.16	21,957,802.04	22,751,495.92

(iii) Value-added tax payables under "Tax payables" reclassified to "Other payables"

	As at 30 September 2022 RMB	As at 30 June 2022 RMB	As at 31 December		
			2021 RMB	2020 RMB	2019 RMB
Decrease in tax payables	(73,888,804.10)	(73,146,862.56)	(48,338,975.52)	(17,852,241.67)	(20,950,046.70)
Increase in other payables	73,888,804.10	73,146,862.56	48,338,975.52	17,852,241.67	20,950,046.70

Note 2: Statutory reserves

The Target Group's accounting policy is to recognise statutory reserves from undistributed profit of each financial period of the Target Company. In comparison, the Company's accounting policy is to recognise statutory reserves from undistributed profit of each financial period of the Target Company and its subsidiaries.

	As at 30 September 2022 RMB	As at 30 June 2022 RMB	As at 31 December		
			2021 RMB	2020 RMB	2019 RMB
Decrease in undistributed profit	(11,423,578.72)	(11,423,578.72)	(11,423,578.72)	(11,277,607.58)	(11,277,607.58)
Increase in statutory reserves	11,423,578.72	11,423,578.72	11,423,578.72	11,277,607.58	11,277,607.58

Note 3: Government grants**(i) “Capital reserve” to “Undistributed profit”**

This opening adjustment is to reconcile the monetary government grant under the Company’s accounting policy.

In previous year, the government assumed certain bank borrowings of the Target Group in exchange of the land and building and fixed assets occupied by the Target Group. The difference between the carrying amounts of bank borrowings and the land and building and fixed assets were considered as the monetary government grant and were accounted for as capital reserve under the Target Group’s accounting policy.

In accordance with the Company’s accounting policy, this difference would have been accounted for as undistributed profit of the Target Group.

Accordingly, this adjustment is to reclassify this difference from “Capital reserve” to “Undistributed profit”.

	As at 30 September 2022 <i>RMB</i>	As at 30 June 2022 <i>RMB</i>	As at 31 December		
			2021 <i>RMB</i>	2020 <i>RMB</i>	2019 <i>RMB</i>
Decrease in capital reserve	(2,901,788.00)	(2,901,788.00)	(2,901,788.00)	(2,901,788.00)	(2,901,788.00)
Increase in undistributed profit	2,901,788.00	2,901,788.00	2,901,788.00	2,901,788.00	2,901,788.00

(ii) Depreciation and amortisation of Fixed assets and Intangible assets

This adjustment is to reconcile the non-monetary government grant under the Company’s accounting policy.

In previous year, non-monetary government grant received by the Target Group were credited to the capital reserve at fair value under the Target Group’s accounting policy. The corresponding entry was to debit fixed assets and intangible assets.

In accordance with the Company’s accounting policy on non-monetary government grant was to recognise fixed assets and intangible assets at nominal value.

Accordingly, non-monetary government grant initially recognised under “Capital reserve”, “Fixed assets” and “Intangible assets” as at 31 December 2019, 2020, 2021, 30 June 2022 and 30 September 2022 and the amortisation and depreciation expenses for each of the years ended 31 December 2019, 2020 and 2021, six months ended 30 June 2022 and nine months ended 30 September 2022 were reversed and the related impact to the expenses for each of the years ended 31 December 2019, 2020 and 2021, six months ended 30 June 2022 and nine months ended 30 September 2022 and related impact to the carrying amount of assets, liabilities and equity as at 31 December 2019, 2020 and 2021, 30 June 2022 and 30 September 2022 are set out as below:

	Nine months ended 30 September 2022 RMB	Six months ended 30 June 2022 RMB	Year ended 31 December		
			2021 RMB	2020 RMB	2019 RMB
Decrease in depreciation expense	119,979.60	79,986.40	159,972.80	159,972.80	159,972.80
Decrease in amortisation expense	354,017.70	236,011.80	472,023.60	472,023.60	472,023.60
	As at 30 September 2022 RMB	As at 30 June 2022 RMB	As at 31 December		
			2021 RMB	2020 RMB	2019 RMB
Decrease in cost of fixed assets	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)
Decrease in accumulated depreciation of fixed assets as at beginning of the period/year	2,799,524.19	2,799,524.19	2,639,551.39	2,479,578.59	2,319,605.79
Decrease in depreciation of fixed assets for the period/year	119,979.60	79,986.40	159,972.80	159,972.80	159,972.80
Decrease in cost of intangible assets	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)
Decrease in accumulated amortisation of intangible assets as at beginning of the period/year	8,260,413.00	8,260,413.00	7,788,389.40	7,316,365.80	6,844,342.20
Decrease in amortisation of intangible assets for the period/year	354,017.70	236,011.80	472,023.60	472,023.60	472,023.60
Increase in undistributed profit as at beginning of the period/year	2,799,524.19	2,799,524.19	2,639,551.39	2,479,578.59	2,319,605.79
Increase in undistributed profit as at beginning of the period/year	8,260,413.00	8,260,413.00	7,788,389.40	7,316,365.80	6,844,342.20
Increase in undistributed profit as at the end of the period/year	119,979.60	79,986.40	159,972.80	159,972.80	159,972.80
Increase in undistributed profit as at the end of the period/year	354,017.70	236,011.80	472,023.60	472,023.60	472,023.60
Decrease in capital reserve relating to cost of fixed assets as at beginning of the period/year	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)
Decrease in capital reserve relating to cost of intangible assets as at beginning of the period/year	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)

Note 4: Goodwill

This opening adjustment is to reconcile the difference of the goodwill at carrying amount of the Target Group and the carrying amount of the goodwill under the Company's accounting policy.

Under the Target Group's accounting policy, certain goodwill of the Target Group was amortised using useful lives of 10 years after initial recognition until the end of reporting period of 2006 and goodwill was measured at cost less accumulated impairment losses, if any, from the beginning of the accounting period of 2007. In comparison, under the Company's accounting policy, goodwill of the Target Group was amortised using estimated useful lives after initial recognition until the end of reporting period of 2004 and with effect of the changes in measurement of goodwill under HKFRS in 2005, the goodwill was measured at cost less accumulated impairment losses, if any, from the beginning of the accounting period of 2005.

The impact to the adjustments on profit or loss for each of the years ended 31 December 2019, 2020 and 2021, six months ended 30 June 2022 and nine months ended 30 September 2022 on the carrying amount of assets, liabilities and equity as at 31 December 2019, 2020 and 2021, 30 June 2022 and 30 September 2022 would have been as follows:

	As at 30 September 2022 <i>RMB</i>	As at 30 June 2022 <i>RMB</i>	As at 31 December		
			2021 <i>RMB</i>	2020 <i>RMB</i>	2019 <i>RMB</i>
Increase in goodwill	6,367,535.82	6,367,535.82	6,367,535.82	6,367,535.82	6,367,535.82
Increase in undistributed profit as at beginning of the period/year	6,367,535.82	6,367,535.82	6,367,535.82	6,367,535.82	6,367,535.82

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**Introduction**

The unaudited pro forma financial information of the Group (“**Unaudited Pro Forma Financial Information**”) presented below is prepared to illustrate (a) the financial position of the Group as if the Disposal had been completed on 30 June 2022; and (b) the results and cash flows of the Group for the year ended 31 December 2021 as if the Disposal had been completed on 1 January 2021. The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, and because of its hypothetical nature, it may not purport to present the true picture of (i) the financial position of the Group as at 30 June 2022 or at any future date had the Disposal been completed on 30 June 2022; or (ii) the results and cash flows of the Group for the year ended 31 December 2021 or for any future period had the Disposal been completed on 1 January 2021.

The Unaudited Pro Forma Financial Information is prepared based on the condensed consolidated statement of financial position of the Group as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2021 as extracted from the condensed consolidated financial statements of the Group as at 30 June 2022 as set out in the Company’s published second quarterly results report for the six months ended 30 June 2022 and annual report for the year ended 31 December 2021 respectively, after giving effect to the pro forma adjustments described in the notes to the Unaudited Pro Forma Financial Information and is prepared in accordance with Rule 7.31 of the GEM Listing Rules.

(A) *Unaudited Pro Forma Condensed Consolidated Statement of Financial Position of the Group After Disposal*

	Condensed consolidated statement of financial position of the Group as at 30 June 2022	Pro forma adjustments		Unaudited pro forma condensed consolidated statement of financial position of the Group after Disposal as at 30 June 2022
	<i>RMB'000 (Note 1)</i>	<i>RMB'000 (Note 2)</i>	<i>RMB'000 (Note 3)</i>	<i>RMB'000</i>
Non-current assets				
Property, plant and equipment	409,046			409,046
Investment properties	200,847			200,847
Goodwill	34,800			34,800
Other intangible assets	21,554			21,554
Biological assets	1,012			1,012
Investments in associates	2,985,594	(618,618)		2,366,976
Investments in joint ventures	3,092			3,092
Investments in film productions	3,500			3,500
Financial assets at FVTOCI	259,686			259,686
Deposits for purchase of property, plant and equipment	8,507			8,507
Deferred tax assets	6,215			6,215
	<u>3,933,853</u>			<u>3,315,235</u>
Current assets				
Inventories	22,841			22,841
Trade and other receivables	312,973	1,101,846		1,414,819
Pledged bank deposits	4			4
Cash and cash equivalents	123,126	(21,538) (910)		100,678
	<u>458,944</u>			<u>1,538,342</u>
Total assets	<u>4,392,797</u>			<u>4,853,577</u>

	Condensed consolidated statement of financial position of the Group as at 30 June 2022 <i>RMB'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>RMB'000</i> <i>(Note 2)</i>		<i>RMB'000</i> <i>(Note 3)</i>	Unaudited pro forma condensed consolidated statement of financial position of the Group after Disposal as at 30 June 2022 <i>RMB'000</i>
Current liabilities					
Trade and other payables	176,171				176,171
Bank and other loans	493,392				493,392
Lease liabilities	3,577				3,577
Current tax liabilities	9,467			266,935	276,402
	<u>682,607</u>				<u>949,542</u>
Net current (liabilities)/assets	<u>(223,663)</u>				<u>588,800</u>
Total assets less current liabilities	<u>3,710,190</u>				<u>3,904,035</u>
Non-current liabilities					
Bank and other loans	182,000				182,000
Lease liabilities	72,736				72,736
Deferred tax liabilities	26,662				26,662
	<u>281,398</u>				<u>281,398</u>
NET ASSETS	<u><u>3,428,792</u></u>				<u><u>3,622,637</u></u>
EQUITY					
Share capital	151,446				151,446
Reserves	3,097,813	460,780	(266,935)		3,291,658
Equity attributable to the owners of the Company	3,249,259				3,443,104
Non-controlling interests	179,533				179,533
TOTAL EQUITY	<u><u>3,428,792</u></u>				<u><u>3,622,637</u></u>

(B) Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Group After Disposal

	Consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2021					Pro forma adjustments		Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group after Disposal for the year ended 31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
	(Note 1)	(Note 4)	(Note 5)	(Note 6)	(Note 7)			
Revenue	394,627						394,627	
Cost of sales and services	(334,432)						(334,432)	
Gross profit	60,195						60,195	
Other gains and income	19,245						19,245	
Impairment loss on trade and other receivables, net	(36,542)						(36,542)	
Distribution costs	(2,881)						(2,881)	
Administrative expenses	(60,933)						(60,933)	
Other expenses	(1,559)						(1,559)	
(Loss)/Gain on deemed partial disposal/partial disposal of an associate	(5,323)	504,242					498,919	
(Loss)/Profit from operations	(27,798)						476,444	
Finance costs	(24,689)						(24,689)	
Share of profit of associates	210,469			(49,063)	(10,292)		151,114	
Share of losses of joint venture	(53)						(53)	
Profit before income tax	157,929						602,816	
Income tax expense	(6,513)		(266,935)				(273,448)	
Profit for the year	151,416						329,368	

Consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2021 RMB'000 (Note 1)	RMB'000 (Note 4)	Pro forma adjustments RMB'000 (Note 5)		RMB'000 (Note 6)	RMB'000 (Note 7)	Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group after Disposal for the year ended 31 December 2021 RMB'000
Other comprehensive income after tax:						
<i>Items that will not be reclassified to profit or loss:</i>						
Fair value changes of financial assets at FVTOCI	(25,557)					(25,557)
Share of other comprehensive income of associates	41,890			2,952		44,842
Share of other comprehensive income of joint ventures	(11,226)					(11,226)
	<u>5,107</u>					<u>8,059</u>
<i>Items that may be reclassified to profit or loss:</i>						
Exchange differences on translating foreign operations	(5,130)					(5,130)
	<u>(5,130)</u>					<u>(5,130)</u>
Other comprehensive income for the year, net of tax	<u>(23)</u>					<u>2,929</u>
Total comprehensive income for the year	<u><u>151,393</u></u>					<u><u>332,297</u></u>

	Consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2021		Pro forma adjustments			Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group after Disposal for the year ended 31 December 2021
	RMB'000 (Note 1)	RMB'000 (Note 4)	RMB'000 (Note 5)	RMB'000 (Note 6)	RMB'000 (Note 7)	RMB'000
Profit for the year attributable to:						
Owners of the Company						
Profit for the year	158,972	504,242	(266,935)	(49,063)	(10,292)	336,924
Non-controlling interests	<u>(7,556)</u>					<u>(7,556)</u>
	<u>151,416</u>					<u>329,368</u>
Total comprehensive income for the year attributable to:						
Owners of the Company	162,388	504,242	(266,935)	(46,111)	(10,292)	343,292
Non-controlling interests	<u>(10,995)</u>					<u>(10,995)</u>
	<u>151,393</u>					<u>332,297</u>

(C) *Unaudited Pro Forma Consolidated Statement of Cash Flows of the Group After Disposal*

	Consolidated statement of cash flows of the Group for the year ended 31 December 2021 RMB'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Group after Disposal for the year ended 31 December 2021 RMB'000
		RMB'000 (Note 4)	RMB'000 (Note 6)	RMB'000 (Note 7)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	157,929	504,242	(49,063)	(10,292)	602,816
Adjustments for:					
Impairment loss on trade and other receivables, net	36,542				36,542
Depreciation and amortisation	14,660				14,660
Gain on partial disposal of interest in an associate	–	(504,242)			(504,242)
Loss from changes in fair value less cost to sell of biological assets	1,274				1,274
Loss on deemed partial disposal of an associate	5,323				5,323
Interest expense	25,476				25,476
Interest income	(1,968)				(1,968)
Net foreign exchange gain	(787)				(787)
Gain on bargain purchase	(1,143)				(1,143)
Share of profit of associates	(210,469)		49,063	10,292	(151,114)
Share of losses of joint ventures	53				53
Operating profit before working capital changes	26,890				26,890
Decrease in inventories	237				237
Decrease in trade receivables	36,873				36,873
Increase in prepayments, deposits and other receivables	(21,937)				(21,937)
Increase in trade and other payables	16,887				16,887
Decrease in contract liabilities	(32)				(32)

	Consolidated statement of cash flows of the Group for the year ended 31 December 2021	Pro forma adjustments				Unaudited pro forma consolidated statement of cash flows of the Group after Disposal for the year ended 31 December 2021
		RMB'000	RMB'000	RMB'000	RMB'000	
		(Note 1)	(Note 4)	(Note 6)	(Note 7)	
Cash generated from operations	58,918				58,918	
Income tax paid	(8,281)				(8,281)	
Net cash generated from operating activities	<u>50,637</u>				<u>50,637</u>	
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of a subsidiary	694				694	
Deposits for purchase of property, plant and equipment	(3,119)				(3,119)	
Deposits for potential investments	(105,000)				(105,000)	
Decrease in pledged bank deposits	11,198				11,198	
Decrease in amounts due with associates	8,205				8,205	
Purchases of property, plant and equipment	(37,934)				(37,934)	
Purchases of other intangible assets	(696)				(696)	
Proceeds from disposal of property, plant and equipment	236				236	
Directly attributable costs from partial disposal of interests in an associate	–	(21,538)	(910)		(22,448)	
Purchase consideration of financial assets at FVTOCI	(152,808)				(152,808)	
Dividend received from an associate	41,230			(10,292)	30,938	
Interest received	1,968				1,968	

	Consolidated statement of cash flows of the Group for the year ended 31 December 2021 <i>RMB'000</i> <i>(Note 1)</i>	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Group after Disposal for the year ended 31 December 2021 <i>RMB'000</i>
		<i>RMB'000</i> <i>(Note 4)</i>	<i>RMB'000</i> <i>(Note 6)</i>	<i>RMB'000</i> <i>(Note 7)</i>	
Net cash used in investing activities	<u>(236,026)</u>				<u>(268,766)</u>
CASH FLOWS FROM FINANCIAL ACTIVITIES					
Proceeds from issue of shares	56,865				56,865
Bank and other loans raised	226,050				226,050
Repayments of bank loans	(80,899)				(80,899)
Advance to shareholders	(32)				(32)
Decrease in amounts due to related parties	(1,025)				(1,025)
Interest paid	(31,135)				(31,135)
Repayments of lease liabilities	<u>(2,334)</u>				<u>(2,334)</u>
Net cash generated from financing activities	<u>167,490</u>				<u>167,490</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,899)				(50,639)
Effect of foreign exchange rate changes, net	(188)				(188)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>118,020</u>				<u>118,020</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>99,933</u></u>				<u><u>67,193</u></u>

(D) Notes to the Unaudited Pro Forma Financial Information of the Group After Disposal

- 1) The condensed consolidated statement of financial position of the Group as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31 December 2021 are extracted without adjustment from the published second quarterly results report of the Company for the six months ended 30 June 2022 and the annual report of the Company for the year ended 31 December 2021 respectively.
- 2) The adjustment represents the pro forma gain on the Disposal as if the Disposal had been completed on 30 June 2022, which is calculated as follows:

	<i>Notes</i>	<i>RMB'000</i>
Consideration	(a)	1,101,846
Estimated direct tax impact on the Disposal	(b)	<u>(21,538)</u>
Consideration after estimated direct tax impact		1,080,308
Interests of the Sale Shares as at 30 June 2022	(c)	(618,618)
Estimated transaction fees directly attributable to the Disposal	(d)	<u>(910)</u>
Estimated gain on the Disposal before taxation		460,780
Estimated income tax impact on the Disposal	3	<u>(266,935)</u>
Estimated gain on the Disposal after taxation	(e)	<u><u>193,845</u></u>

- (a) In accordance with the Share Transfer Agreement, the Group agreed to dispose of the Sale Shares at the Consideration of RMB1,101,846,000 which shall be settled in the following manner:
 - (i) within 7 working days after the Share Transfer Agreement becoming effective, the Purchaser shall pay to the Company 20% of the Consideration, RMB220,369,200 (equivalent to approximately HK\$242,076,000);
 - (ii) within one month from the Completion Date, the Purchaser shall pay to the Company 30% of the Consideration, RMB330,553,800 (equivalent to approximately HK\$363,113,000);

- (iii) within three months from the Completion Date, the Purchaser shall pay to the Company 20% of the Consideration, RMB220,369,200 (equivalent to approximately HK\$242,076,000); and
- (iv) within six months from the Completion Date, the Purchaser shall pay to the Company 30% of the Consideration, RMB330,553,800 (equivalent to approximately HK\$363,113,000).

For the purpose of preparing the Unaudited Pro Forma Financial Information, the Consideration is assumed to be recognised and included in other receivables as at 30 June 2022 as if the Disposal had been completed on 30 June 2022.

- (b) The amount represents value-added tax, urban construction tax, education surcharge, local education surcharge and stamp duty associated with the Sale Shares of RMB21,538,000 as if the Disposal had been completed on 30 June 2022 and is assumed to be fully settled in cash on 30 June 2022.
 - (c) The adjustment reflects the reduction of the ownership interest of the Sale Shares as at 30 June 2022 as if the Disposal had been completed on 30 June 2022. After the completion of the Disposal, the Target Company will still be accounted for as an associate of the Group.
 - (d) The amount represents certain transaction fees directly attributable to the Disposal, such as fee incurred for legal and professional services and assurance service fee, amounting to approximately RMB910,000 and assumed to be fully settled in cash on 30 June 2022.
 - (e) The final gain or loss on the Disposal may be different from the pro forma amount described above as the carrying amounts of interests in the Target Company on the actual date of the Disposal may differ from their carrying amounts as at 30 June 2022. It is also subject to change as the actual legal and professional fees and related tax impact on the Disposal may differ from the assumed amounts used in the preparation of the Unaudited Pro Forma Financial Information.
- 3) The amount represents the PRC enterprise income tax estimated according to Article 19 of the Enterprise Income Tax Law. For the purpose of preparing the Unaudited Pro Forma Financial Information, it is assumed that the estimated tax payment is RMB266,935,000 and is recognised and included in current tax liabilities as at 30 June 2022 as if the Disposal had been completed on 30 June 2022.

- 4) The adjustments reflect the recognition of the pro forma gain arising from the Disposal as if the Disposal had been completed on 1 January 2021:

	<i>Notes</i>	<i>RMB'000</i>
Consideration	(a)	1,101,846
Estimated direct tax impact on the Disposal	(b)	<u>(21,538)</u>
Consideration after estimated direct tax impact		1,080,308
Interests of the Sale Shares as at 1 January 2021	(c)	(575,156)
Estimated transaction fees directly attributable to the Disposal	(d)	<u>(910)</u>
Estimated gain on the Disposal before taxation		504,242
Estimated tax impact on the Disposal	5	<u>(266,935)</u>
Estimated gain on the Disposal after taxation	(e)	<u><u>237,307</u></u>

- (a) In accordance with the Share Transfer Agreement, the Group agreed to dispose of the Sale Shares at the Consideration of RMB1,101,846,000 which shall be settled in the following manner and assumed to be recognised as other receivables on 1 January 2021:
- (i) within 7 working days after the Share Transfer Agreement becoming effective, the Purchaser shall pay to the Company 20% of the Consideration, RMB220,369,200 (equivalent to approximately HK\$242,076,000);
 - (ii) within one month from the Completion Date, the Purchaser shall pay to the Company 30% of the Consideration, RMB330,553,800 (equivalent to approximately HK\$363,113,000);
 - (iii) within three months from the Completion Date, the Purchaser shall pay to the Company 20% of the Consideration, RMB220,369,200 (equivalent to approximately HK\$242,076,000); and
 - (iv) within six months from the Completion Date, the Purchaser shall pay to the Company 30% of the Consideration, RMB330,553,800 (equivalent to approximately HK\$363,113,000).

For the purpose of preparing the Unaudited Pro Forma Financial Information, the Consideration is assumed to be recognised and included in other receivables as at 1 January 2021 as if the Disposal had been completed on 1 January 2021.

- (b) The amount represents value-added tax, urban construction tax, education surcharge, local education surcharge and stamp duty associated with the Sale Shares of RMB21,538,000 as if the Disposal had been completed on 1 January 2021 and is assumed to be fully settled in cash on 1 January 2021.

- (c) The adjustment reflects the reduction of the ownership interest of the Sale Shares as at 1 January 2021 as if the Disposal had been completed on 1 January 2021. After the completion of the Disposal, the Target Company will still be accounted for as an associate of the Group.
 - (d) The amount represents certain transaction fees directly attributable to the Disposal, such as fee incurred for legal and professional services and assurance service fee, amounting to approximately RMB910,000 and assumed to be fully settled in cash on 1 January 2021.
 - (e) The final gain or loss on the Disposal may be different from the pro forma amount described above as the carrying amounts of interests in the Target Company on the actual date of the Disposal may differ from their carrying amounts on 1 January 2021. It is also subject to change as the actual legal and professional fees and related tax impact on the Disposal may differ from the assumed amounts used in the preparation of the Unaudited Pro Forma Financial Information.
- 5) The amount represents the PRC enterprise income tax estimated according to Article 19 of the Enterprise Income Tax Law. For the purpose of preparing the Unaudited Pro Forma Financial Information, it is assumed that the estimated tax payment is RMB266,935,000 and is recognised and included in current tax liabilities as at 1 January 2021 as if the Disposal had been completed on 1 January 2021.
 - 6) The adjustment reflects the exclusion of share of profits and other comprehensive income from the Sale Shares as at 1 January 2021 as if the Disposal had been completed on 1 January 2021. After the completion of the Disposal, the Target Company will still be accounted for as an associate of the Group.
 - 7) The adjustment is to exclude the proportion of the dividend received associated from the Target Company with the Sale Shares incorporated in the share of profit of the Target Company in the consolidated statement of profit or loss and other comprehensive income and in the consolidated statement of cash flows of the Group for the year ended 31 December 2021 as if the Disposal had been completed on 1 January 2021.
 - 8) No adjustments have been made to reflect any trading results or other transactions of the Group excluding the Disposal entered into subsequent to 30 June 2022 or 31 December 2021.

**(B) ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA INFORMATION OF
THE GROUP**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION
OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY
LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma condensed consolidated statement of financial position as at 30 June 2022, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2021 and related notes as set out on pages III-2 to III-13 of Appendix III of the circular dated 10 March 2023 (the “**Circular**”) in connection to the proposed disposal of 7.96% equity interest in Jade Bird Fire Co., Ltd. (the “**Proposed Disposal**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on page III-1 of Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Disposal on the Group’s financial position as at 30 June 2022 and the Group’s financial performance and cash flows for the year ended 31 December 2021 as if the Proposed Disposal had taken place at 30 June 2022 and 1 January 2021, respectively. As part of this process, information about the Group’s financial position has been extracted by the directors of the Company from the Group’s condensed financial statements for the six months ended 30 June 2022 on which no audit or review report has been published, and financial performance and cash flows have been extracted by the directors of the Company from the Group’s consolidated financial statements for the year ended 31 December 2021, on which an independent auditor’s report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1, “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Disposal at 30 June 2022 or 1 January 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

BDO Limited

Certified Public Accountants

Hong Kong

10 March 2023

1. RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors', Supervisors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares and underlying Shares

Name	Capacity	Interest in		Approximate	Approximate	Approximate
		Non-listed Shares	Interest in H Shares	percentage of total number of issued Non-listed Shares (Note 2)	percentage of total number of issued H Shares (Note 3)	percentage of the Company's total issued shares (Note 4)
Supervisor						
Ms. Zhou Min	Beneficiary of trust	205,414,000 (Note 1)	-	29.34%	-	13.56%
Non-executive Director						
Mr. Liu Ziyi	Beneficial owner	-	2,311,000	-	0.28%	0.15%

Notes:

1. The above Supervisor is taken to be interested in the issued share capital of the Company through her interest as beneficiary, 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, the shares of Heng Huat Investments Limited (“**Heng Huat**”) were held as trustees for the benefits of over 300 employees of Beijing Beida Jade Bird Software System Co., Ltd., Beijing Beida Jade Bird Limited 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 which Dynamic Win is interested.
2. The approximate percentage is calculated based on the total number of issued Non-listed Shares as at the Latest Practicable Date, that is, 700,000,000 shares.
3. The approximate percentage is calculated based on the total number of issued H Shares as at the Latest Practicable Date, that is, 814,464,000 shares.
4. The approximate percentage is calculated based on the total number of issued Shares as at the Latest Practicable Date, that is, 1,514,464,000 shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executives of the Company had, or was deemed to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were taken or deemed to have under such provisions of the SFO, (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to rules 5.46 to 5.47 of the GEM Listing Rules relating to the securities transactions by Directors to be notified to the Company and the Stock Exchange.

(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

As at the Latest Practicable Date, so far as it was known to the Directors or the chief executive of the Company, the following persons (other than a Director, Supervisor or the chief executive of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(i) Long positions in the Shares and underlying Shares

Name of Shareholder	Capacity	Interest in Non-listed Shares	Interest in H Shares	Approximate percentage of total number of issued Non-listed Shares (Note 5)	Approximate percentage of total number of issued H Shares (Note 6)	Approximate percentage of the Company's total issued shares (Note 7)
Substantial Shareholders						
Peking University (Note 1)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Beida Asset Management Co., Ltd. (Note 1)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Beijing Beida Jade Bird Software System Co., Ltd. (Notes 1 & 9)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Beida Microelectronics Investment Limited (Note 1)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Gifted Pillar Limited (Note 1)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Rainbow Mountain Holdings Limited (Note 1)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Beijing Rainbow Mountain Sci-Tech Development Co, Ltd. (Note 1)	Beneficial owner	200,000,000	–	28.57%	–	13.21%
Heng Huat Investments Limited (Note 2)	Interest of controlled corporation	205,414,000	–	29.34%	–	13.56%
Dynamic Win Assets Limited (Note 2)	Beneficial owner	205,414,000	–	29.34%	–	13.56%

Name of Shareholder	Capacity	Interest in Non-listed Shares	Interest in H Shares	Approximate percentage of total number of issued Non-listed Shares (Note 5)	Approximate percentage of total number of issued H Shares (Note 6)	Approximate percentage of the Company's total issued shares (Note 7)
Other persons						
Grand East (H.K.) Limited	Beneficial owner	110,000,000	-	15.71%	-	7.26%
Mongolia Energy Corporation Limited (Note 3)	Interest of controlled corporation	84,586,000	-	12.08%	-	5.58%
New View Venture Limited (Note 3)	Beneficial owner	84,586,000	-	12.08%	-	5.58%
Asian Technology Investment Company Limited	Beneficial owner	50,000,000	-	7.14%	-	3.30%
Huang Taomei (Note 4)	Interest of controlled corporation	-	126,214,000	-	15.5%	8.33%
Merida Group Limited (Note 4)	Interest of controlled corporation	-	126,214,000	-	15.5%	8.33%
Nippon Incubation Co. Ltd. (Note 4)	Interest of controlled corporation	-	126,214,000	-	15.5%	8.33%
Brilliant Smile Limited (Note 4)	Interest of controlled corporation	-	126,214,000	-	15.5%	8.33%
Asia Development Capital (HK) Limited (Note 4)	Beneficial owner	-	126,214,000	-	15.5%	8.33%

Notes:

1. Peking University is taken to be interested in 13.21% of the total issued share capital of the Company through 200 million Non-listed Shares (representing approximately 13.21% 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.
2. The Non-listed Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat. Please refer to the note to the paragraph headed "Directors, Supervisors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above for further details of Heng Huat.

3. The Non-listed Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
4. These H Shares are held by Asia Development Capital (HK) Limited, which is wholly owned by Brilliant Smile Limited which is in turn wholly owned by Nippon Incubation Co., Ltd, which is in turn wholly owned by Merida Group Limited, which is in turn wholly owned by Huang Taomei.
5. The approximate percentage is calculated based on the total number of issued Non-listed Shares as at the Latest Practicable Date, that is, 700,000,000 shares.
6. The approximate percentage is calculated based on the total number of issued H Shares as at the Latest Practicable Date, that is, 814,464,000 shares.
7. The approximate percentage is calculated based on the total number of issued Shares as at the Latest Practicable Date, that is, 1,514,464,000 shares.
8. Mr. Ni Jinlei, an executive Director and Mr. Fan Yimin, a Supervisor, are the directors of Beijing Beida Jade Bird Software System Co., Ltd..

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than a Director, Supervisor or chief executive of the Company) who had, or was deemed or taken to have, an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept pursuant to section 336 of the SFO.

Saved as disclosed above, as at the Latest Practicable Date, no other director or proposed director is a director or employee of the Company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, each of the Directors (other than Mr. Liu Ziyi (“**Mr. Liu**”), a non-executive Director) and Supervisors has entered into a service contract with the Company for a term of three years commencing on 21 May 2021. Mr. Liu has entered into a letter of appointment with the Company commencing on 20 May 2022 until the conclusion date of the 2023 annual general meeting to be held by the Company in 2024.

As at the Latest Practicable Date, save as disclosed above, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)).

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors, Supervisors, controlling shareholder of the Company nor their respective close associates had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group which would be required to be disclosed under rule 11.04 of the GEM Listing Rules.

6. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors or Supervisors had, or has had, any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2021, the date of which the latest published audited consolidated financial statements of the Group were made up.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (i) the guarantee contract dated 13 April 2021 entered into between the Company and Bank of Communications Co., Ltd. Zhangjiakou Branch (“**BOC**”), pursuant to which the Company agreed to guarantee the repayment obligations of the Target Company under the loan agreement dated 13 April 2021, further details of which are set out in the announcement dated 13 April 2021;

- (ii) the guarantee contract dated 10 May 2021 entered into between the Company and BOC, pursuant to which the Company agreed to guarantee the repayment obligations of the Target Company under the loan agreement dated 10 May 2021, further details of which are set out in the announcement dated 10 May 2021;
- (iii) the capital increase agreement dated 17 June 2021 entered into between the Company, SVIC No.45 New Technology Business Investment L.L.P., 安徽省中安海外技術引進投資合夥企業(有限合夥) (Anhui Province Zhongan Overseas Technology Introduction Investment L.L.P*), 上海凱風至德創業投資合夥企業(有限合夥) (Shanghai Kaifeng Zhide Chuangye Investment L.L.P*), 湖州諾晶股權投資合夥企業(有限合夥) (Huzhou Nuojing Equity Interest Investment L.L.P*), Mr. Li Qiming, Olympic New Holdings Limited, 上海顯輝科技合夥企業 (有限合夥) (Shanghai Xianhui Technology L.L.P*), Link Yiu Holdings Limited, Shanghai Shengjin and Shanghai Xianyao in relation to the injection of RMB100,000,000 into Shanghai Xianyao by the Company, further details of which are set out in the announcement of the Company dated 17 June 2021;
- (iv) the capital increase agreement dated 3 September 2021 entered into between Link Yiu Holdings Limited, Mr. Li Qiming, Shanghai Shengjin, and Mr. Troy Jonathan Baker (collectively known as “**Existing Shareholders**”), the Company and Eta Shanghai in relation to the injection of RMB50,000,000 into Eta Shanghai by the Company, further details of which are set out in the announcement dated 3 September 2021;
- (v) the repurchase agreement dated 10 March 2022 entered into between the Company, 北京國瑞盛達信息技術有限公司(Beijing Guoruishengda Information Technology Co., Ltd.*) (“**Beijing Guoruishengda**”), Shanghai Shengjin and Guangdong Lumen, pursuant to which Shanghai Shengjin may require the Company or Guangdong Lumen to repurchase 20% registered capital of Guangdong Lumen held by Shanghai Shengjin at the option price pursuant to the repurchase agreement, further details of which are set out in the announcement dated 10 March 2022;
- (vi) the equity transfer agreement dated 10 March 2022 entered into between the Company as the purchaser, Beijing Guoruishengda as the vendor and Guangdong Lumen as the target company, pursuant to which the Company has agreed to purchase, and the vendor has agreed to sell, 80% registered capital of Guangdong Lumen at the consideration of RMB84,486,160, further details of which are set out in the announcement dated 10 March 2022;
- (vii) the guarantee contract dated 13 April 2022 entered into between the Company and BOC, pursuant to which the Company has agreed to guarantee the repayment obligations of the Target Company under the loan agreement dated 13 April 2022, further details of which are set out in the announcement dated 13 April 2022;

(* in English for identification purpose only)

- (viii) the guarantee contract dated 11 May 2022 entered into between the Company and BOC, pursuant to which the Company has agreed to guarantee the repayment obligations of the Target Company under the loan agreement dated 11 May 2022, further details of which are set out in the announcement dated 11 May 2022;
- (ix) the capital increase agreement dated 7 July 2022 entered into between the Company, the Existing Shareholders and Eta Shanghai, in relation to the injection of RMB100,000,000 into Eta Shanghai by the Company, further details of which are set out in the announcement dated 7 July 2022 and the circular dated 19 August 2022; and
- (x) the Share Transfer Agreement.

9. EXPERT AND CONSENT

The following sets out the qualification of the expert who has given an opinion or advice which is included in this circular:

Name	Qualification
BDO Limited	Certified Public Accountants

As at the Latest Practicable Date, the expert named above:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letter, report and/or summary of its opinions and references to its name and logo in the form and context in which they are included;
- (b) was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had since 31 December 2021 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. GENERAL

- (a) The registered office of the Company is at 3rd Floor, Beida Jade Bird Building Yanyuan District Area 3, No. 5 Haidian Road, Haidian District, Beijing 100080, the PRC.
- (b) The principal place of business of the Company in Hong Kong is at 17th Floor, V Heun Building, 138 Queen's Road Central, Central, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- (d) The company secretary of the Company is Mr. Chan Chi Hung, who is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (e) The Company has established the Audit Committee with written 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 engagement and independence of independent auditors.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Tang Xuan (chairman of the Audit Committee), Mr. Li Chonghua and Mr. Shen Wei. Their background are as follows:

Mr. Tang Xuan (“Mr. Tang”)

Mr. Tang Xuan, aged 50, was appointed as a non-executive Director on 15 May 2020. Mr. Tang was graduated from Chongqing University with a Bachelor’s degree in engineering, and is a certified accountant in the PRC and a member of Institute of Public Accountants in Australia. He worked in Zhongxin Coopers Certified Public Accountants in the PRC and is currently an audit partner of ShineWing Certified Public Accountants in the PRC, and has 25 years of professional experience in investment, finance and auditing. He has been responsible for the audit assurance, special services, corporate asset reorganization, restructuring and listing of some large enterprise groups. He was an external independent director of Zhongji Investment Co., Ltd. and an external expert committee member of loan review department of China Development Bank. He is currently an external independent director of Shouyi Medical Health Investment Management Co., Ltd. and an independent director of Lihong Sitong Light Alloy Group Co., Ltd. (an A share company listed on the Shenzhen Stock Exchange (Stock code: 300428)).

Mr. Li Chonghua (“Mr. Li”)

Mr. Li Chonghua, aged 67, was appointed as an independent non-executive Director on 30 June 2015. Mr. Li is a member of the Chinese Communist Party. He is a post-graduate, qualified as economist, and holds a practicing certificate of securities practitioner. He was the deputy chief economist, the director of the integrated plan unit and the director of reformation of Beijing Chemical Second Plant. He was the board secretary and the director of securities department of Beijing Chemical Second Plant Co., Ltd.. He was seconded to listed company regulatory department of China Securities Regulatory Commission.

Mr. Shen Wei (“Mr. Shen”)

Mr. Shen Wei, aged 60, was appointed as an independent non-executive Director on 31 May 2018. Mr. Shen was graduated from the department of precision instruments of the Tsinghua University with a Bachelor’s degree in engineering in 1985. Mr. Shen co-founded “CIWEEK” and served as the first chief editor in 1998, who has made contribution to the enlightenment and development of internet in the PRC. He then co-founded the website, namely “eNet” and Yinhe Liandong Information Technology Company, and has extensive experience in internet strategy, products and operations. Mr. Shen has dozens of patented inventions in the field of two-dimensional code technology. In 2015, Mr. Shen established Beijing Dama Technology Co., Ltd. to focus on the application of innovative QR code technology, especially the basic technology and application in the field of secure QR code and multi-screen interaction. Mr. Shen has worked for Beijing Institute of Optoelectronics Technology, Beijing office of East Asiatic Company, Beijing Changwei Technology Development Co., Ltd., CIWEEKLY, Yinhe Liandong Information Technology Company, Beijing Huayu Xinma Technology Co., Ltd., etc.. He is currently the founder and chief executive officer of Beijing Dama Technology Co., Ltd..

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the website of the Stock Exchange at (www.hkexnews.hk) and the website of the Company at (www.jbu.com.cn) from the date of this circular up to and including the date of the SGM:

- (a) the Share Transfer Agreement;
- (b) the annual reports of the Company for the years ended 31 December 2019, 2020 and 2021;
- (c) the interim report of the Company for the six months ended 30 June 2022;
- (d) the audited consolidated financial statements of the Target Company for the years ended 31 December 2019, 2020 and 2021, the unaudited consolidated financial statements of the Target Company for the six months ended 30 June 2022 and the nine months ended 30 September 2022, as set out in Appendix II to this circular;
- (e) the report by BDO on the Reconciliation Information as set out in Appendix II to this circular;
- (f) the report by BDO on the unaudited pro forma financial information of the Group as set out in Appendix III to this circular; and
- (g) the written consent referred in the section headed “9. Expert and Consent” in this Appendix.

NOTICE OF SGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“**SGM**”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (“**Company**”) will be held at 10:30 a.m. on Wednesday, 29 March 2023 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC, for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the share transfer agreement dated 21 November 2022 (“**Share Transfer Agreement**”) (a copy of the Share Transfer Agreement has been produced to this meeting marked “A” and initialed by the chairman of this meeting for the for the purpose of identification) and entered into between the Company and Cai Weimin, in relation to the Disposal (as defined in the circular of the Company dated 10 March 2023 (“**Circular**”), a copy of which has been produced to this meeting marked “B” and initialed by the chairman of this meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

NOTICE OF SGM

- (b) any one of the directors of the Company (“**Director**”) or a duly authorised committee of the board of Directors (“**Board**”) be and are/is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she may consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Share Transfer Agreement and the transactions contemplated thereunder and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally and materially different from those as provided for in the Share Transfer Agreement) as are, in the opinion of the Directors or such duly authorised committee, in the interest of the Company and its shareholders as a whole.”

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

Beijing, the PRC
10 March 2023

Notes:

- (A) The registers of shareholders of the Company (“**Shareholders**”) will be closed from Friday, 24 March 2023 to Wednesday, 29 March 2023 (both days inclusive) during which period no transfer of shares of the Company (“**Shares**”) will be registered. In order to qualify for the entitlement to attend and vote at the SGM, all transfer of H Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited, by 4:30 p.m. on Thursday, 23 March 2023.

The address of Hong Kong Registrars Limited is as follows:

17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong

(Fax no: 852-2865-0990)

- (B) Each holder of H Shares entitled to attend and vote at the SGM shall have the right to appoint one or several persons who may not be Shareholders to act as his/her proxy to attend and vote at the SGM on his/her behalf.
- (C) The instrument appointing a proxy must be in writing under the hand of the principal or his/her attorney duly authorised in writing; for a legal person, the form of proxy must be affixed with the common seal or signed by its director or attorney duly authorized in writing. If that instrument is signed by a person authorized by the principal, the power of attorney or other authorization documents authorized to be signed shall be notarized.

NOTICE OF SGM

- (D) The instrument of proxy, and if the instrument of proxy is signed by a person authorized by the principal, a notarized copy of that power of attorney or other authorization documents, must be deposited at the Company's H share registrar in Hong Kong, Hong Kong Registrars Limited, by 10:30 a.m. on Tuesday, 28 March 2023 or not less than 24 hours before the time for holding any adjournment of the SGM in order for such documents to be valid.

The address of Hong Kong Registrars Limited is as follows:

17M Floor, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong

(Fax no: 852-2865-0990)

- (E) Each holder of non-listed Shares entitled to attend and vote at the SGM shall have the right to appoint in writing one or several persons (who may not be Shareholders) to act as his/her proxy to attend and vote at the SGM on his/her behalf. Notes (C) and (D) above also apply to holders of non-listed Shares, except that the instrument of proxy or other documents of authority must be deposited at the principal place of business of the Company in Beijing, by 10:30 a.m. on Tuesday, 28 March 2023 or not less than 24 hours before the time for holding any adjournment of the SGM in order for such documents to be valid.

The principal place of business of the Company in Beijing is as follows:

3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC

(Fax no: 86-10-6275-8434)

- (F) If a Shareholder appoints others to attend the SGM, the proxy shall produce his/her own identification document and the instrument of proxy signed by the proxy or his/her legal representative, and specifying the date of its issuance. If a legal person Shareholder appoints a proxy to attend the SGM, such proxy should produce his/her identification documents and a notarized copy of the resolution of the board of directors of the legal person appointing such proxy.
- (G) The SGM is expected to last for 30 minutes. Shareholders attending the SGM are responsible for their own transportation and accommodation expenses.
- (H) The resolution at the SGM will be taken by poll pursuant to the Rules ("**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the GEM Listing Rules.

As at the date of this notice, Mr. Ni Jinlei, Ms. Zheng Zhong, Mr. Wang Xingye and Ms. Guan Xueming are executive Directors, Mr. Liu Ziyi is a non-executive Director, and Mr. Tang Xuan, Mr. Li Chonghua and Mr. Shen Wei are independent non-executive Directors.

This notice, 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 notice 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 notice misleading.

This notice will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at "www.jbu.com.cn".