



北京北大青鸟环宇科技股份有限公司

BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 08095)

SECOND QUARTERLY RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

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

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

SECOND QUARTERLY RESULTS (UNAUDITED)

The board of the Directors (the “Board”) announced the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016 together with the unaudited comparative figures for the corresponding period in 2015 as follows:

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

For the six months ended 30 June 2016

		Three months ended 30 June		Six months ended 30 June	
		2016	2015	2016	2015
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	3	346,169	269,172	541,799	416,206
Cost of sales and services		<u>(180,725)</u>	<u>(150,430)</u>	<u>(286,677)</u>	<u>(232,793)</u>
Gross profit		165,444	118,742	255,122	183,413
Other gains and income	4	91,893	15,521	108,134	46,942
Distribution costs		(18,791)	(14,521)	(32,485)	(26,672)
Administrative expenses		(27,156)	(22,381)	(53,465)	(46,965)
Other expenses		(26,957)	(18,524)	(36,153)	(25,600)
Profit from operations		184,433	78,837	241,153	131,118
Finance costs	6	(1,592)	(3,379)	(3,294)	(11,200)
Share of losses of associates		(1,892)	(541)	(3,143)	(2,991)
Share of losses of joint ventures		(103)	(693)	(399)	(1,466)
Profit before tax		180,846	74,224	234,317	115,461
Income tax expense	7	(16,076)	(10,998)	(24,132)	(17,756)
Profit for the period	8	164,770	63,226	210,185	97,705
Other comprehensive income after tax:					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		4,429	(1,250)	5,616	276
Fair value changes of available-for-sale financial assets		1,997	3,572	(4,923)	7,311
Investment revaluation reserve reclassified to profit or loss on step-acquisition of a subsidiary		–	–	(7,260)	–
Share of other comprehensive income of associates		–	–	6,936	–
Share of other comprehensive income of joint ventures		(45)	(2)	(2)	–

	<i>Note</i>	Three months ended 30 June		Six months ended 30 June	
		2016 <i>RMB'000</i>	2015 <i>RMB'000</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Other comprehensive income for the period, net of tax		<u>6,381</u>	<u>2,320</u>	<u>367</u>	<u>7,587</u>
Total comprehensive income for the period		<u>171,151</u>	<u>65,546</u>	<u>210,552</u>	<u>105,292</u>
Profit for the period attributable to:					
Owners of the Company		125,922	29,866	154,411	42,481
Non-controlling interests		<u>38,848</u>	<u>33,360</u>	<u>55,774</u>	<u>55,224</u>
		<u>164,770</u>	<u>63,226</u>	<u>210,185</u>	<u>97,705</u>
Total comprehensive income for the period attributable to:					
Owners of the Company		132,505	32,195	155,241	50,034
Non-controlling interests		<u>38,646</u>	<u>33,351</u>	<u>55,311</u>	<u>55,258</u>
		<u>171,151</u>	<u>65,546</u>	<u>210,552</u>	<u>105,292</u>
		<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Earnings per share					
Basic and diluted (cents per share)	9	<u>10.63</u>	<u>2.52</u>	<u>13.03</u>	<u>3.59</u>

Condensed Consolidated Statement of Financial Position
At 30 June 2016

		30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	<i>11</i>	226,445	210,460
Goodwill		20,472	20,404
Other intangible assets		6,716	7,363
Biological assets		4,700	4,602
Investments in associates		819,287	646,601
Investments in joint ventures		248,231	243,478
Available-for-sale financial assets		209,416	143,000
Deposits paid for potential investments		1,000	58,000
Deferred tax assets		11,815	9,931
		1,548,082	1,343,839
Current assets			
Inventories		198,648	126,797
Trade and other receivables	<i>12</i>	592,286	492,245
Time deposits with original maturity of more than three months when acquired		1,173	1,150
Cash and cash equivalents		220,927	313,760
		1,013,034	933,952
Total assets		2,561,116	2,277,791

		30 June 2016 (Unaudited) RMB'000	31 December 2015 (Audited) RMB'000
	<i>Note</i>		
Current liabilities			
Trade and other payables	13	418,035	328,210
Bank loans		206,156	218,099
Current tax liabilities		21,900	31,570
		646,091	577,879
Net current assets		366,943	356,073
Total assets less current liabilities		1,915,025	1,699,912
Non-current liabilities			
Deferred tax liabilities		17,505	9,697
NET ASSETS		1,897,520	1,690,215
Capital and reserves			
Share capital	14	118,480	118,480
Reserves		1,329,290	1,174,049
Equity attributable to owners of the Company		1,447,770	1,292,529
Non-controlling interests		449,750	397,686
TOTAL EQUITY		1,897,520	1,690,215

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2016

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Investment revaluation reserve	Other reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2015	118,480	377,720	108,954	(76,323)	49,051	12,552	497,095	1,087,529	312,213	1,399,742
Total comprehensive income for the period	-	-	-	242	7,311	-	42,481	50,034	55,258	105,292
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(11,557)	(11,557)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(22,092)	(22,092)
Changes in equity for the period	-	-	-	242	7,311	-	42,481	50,034	21,609	71,643
Balance at 30 June 2015	<u>118,480</u>	<u>377,720</u>	<u>108,954</u>	<u>(76,081)</u>	<u>56,362</u>	<u>12,552</u>	<u>539,576</u>	<u>1,137,563</u>	<u>333,822</u>	<u>1,471,385</u>
Balance at 1 January 2016	118,480	377,720	113,798	(55,855)	157,585	12,552	568,249	1,292,529	397,686	1,690,215
Total comprehensive income for the period	-	-	-	6,077	(5,247)	-	154,411	155,241	55,311	210,552
Transfer	-	-	210	-	-	-	(210)	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	24,150	24,150
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	1,991	1,991
Dividend paid and payable to non-controlling interests	-	-	-	-	-	-	-	-	(29,388)	(29,388)
Changes in equity for the period	-	-	210	6,077	(5,247)	-	154,201	155,241	52,064	207,305
Balance at 30 June 2016	<u>118,480</u>	<u>377,720</u>	<u>114,008</u>	<u>(49,778)</u>	<u>152,338</u>	<u>12,552</u>	<u>722,450</u>	<u>1,447,770</u>	<u>449,750</u>	<u>1,897,520</u>

Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(53,250)	(59,433)
Net cash used in investing activities	(10,816)	(48,393)
Net cash used in financing activities	(26,603)	(23,608)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(90,669)	(131,434)
Effect of foreign exchange rate changes	(2,164)	1,262
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	313,760	365,688
CASH AND CASH EQUIVALENTS AT END OF PERIOD	220,927	235,516
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	220,927	235,516
Time deposits	1,173	1,077
	222,100	236,593
Less: Non-pledged time deposits with original maturity of more than three months when acquired	(1,173)	(1,077)
Cash and cash equivalents	220,927	235,516

Note:

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") as a sino-foreign joint stock limited liability company. The Company's H shares are listed on GEM. The address of its registered office is 3rd Floor, Beida Jade Bird Building, Yanyuan District Area 3, No.5 Haidian Road, Haidian District, Beijing 100080, the PRC. The addresses of its principal place of business in the PRC and Hong Kong are 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC and Unit 7605, 76th Floor, The Center, 99 Queen's Road Central, Hong Kong respectively.

The Company is engaged in the marketing and sale of embedded system products and related products. The principal activities of its subsidiaries are the research, development, manufacture, marketing, contract work and sale of electronic fire alarm systems and related products, the development of travel and leisure business, investment holding and production and sales of wine and related products.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2016. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior periods.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2016. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

The condensed consolidated financial statements are unaudited but have been reviewed by the audit committee of the Company (the "Audit Committee").

Save as aforesaid or as otherwise mentioned in this announcement, the accounting policies adopted in preparing these unaudited second quarterly condensed consolidated financial statements are consistent with those used in the Company's annual audited consolidated financial statements for the year ended 31 December 2015. These condensed consolidated financial statements should be read in conjunction with these mentioned audited financial statements.

3. TURNOVER

The Group's turnover which represents the net invoiced value of goods sold and services rendered to customers, after allowances for returns and trade discounts and net of sales tax are as follows:

	Three months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Sales and contract works of embedded system products and related products	315,857	238,366	481,837	364,587
Rendering of travel and leisure services	27,119	27,703	54,839	46,437
Sales of wine and related products	3,193	3,103	5,123	5,182
	<u>346,169</u>	<u>269,172</u>	<u>541,799</u>	<u>416,206</u>

4. OTHER GAINS AND INCOME

	Three months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	262	220	446	518
Gain on bargain purchase of a subsidiary	–	–	15,209	–
Gain on bargain purchase of associates	89,548	–	89,548	–
Gain on disposal of subsidiaries	–	–	–	26,050
Government grants	–	15,053	–	20,053
Rental income	–	223	2	422
Others	2,083	25	2,929	(101)
	<u>91,893</u>	<u>15,521</u>	<u>108,134</u>	<u>46,942</u>

5. SEGMENT INFORMATION

The Group determines its operating segments based on its strategic business units that are managed separately by the chief operating decision-maker. Each strategic unit requires different technology, development and marketing strategies.

During the period, the Group had four reportable segments, which were managed separately based on their business nature:

Manufacture and sale of electronic fire equipment	– research, development, manufacture, marketing, contract work and sale of electronic fire alarm systems and related products
Tourism development	– development of travel and leisure business
Investment holding	– holding of fund, debt and equity investment
All other segments	– business activities and operating segments not separately reported, including production and sales of wine and related products

The accounting policies of the operating segments are the same as those applied by the Group in the consolidated financial statements. Segment profits or losses do not include interest income, unallocated other gains and income, finance costs and unallocated corporate expenses. Segment assets do not include unallocated corporate assets

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

Information about reportable segment profit or loss:

	Manufacture and sale of electronic fire equipment <i>RMB'000</i>	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2016					
Revenue from external customers	<u>481,837</u>	<u>54,839</u>	<u>–</u>	<u>5,123</u>	<u>541,799</u>
Segment profit/(loss)	<u>124,281</u>	<u>21,761</u>	<u>98,491</u>	<u>(980)</u>	<u>243,553</u>
Interest income					446
Finance costs					(3,294)
Unallocated corporate expenses					<u>(6,388)</u>
Profit before tax					<u>234,317</u>
Other segment information:					
Depreciation and amortisation expenses	4,621	1,845	16	878	7,360
Share of losses of associates	(548)	(2,140)	(455)	–	(3,143)
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(399)</u>	<u>–</u>	<u>(399)</u>
Six months ended 30 June 2015					
Revenue from external customers	<u>364,587</u>	<u>46,437</u>	<u>–</u>	<u>5,182</u>	<u>416,206</u>
Segment profit/(loss)	<u>106,156</u>	<u>15,038</u>	<u>(6,313)</u>	<u>1,185</u>	<u>116,066</u>
Interest income					518
Unallocated other gains and income					20,373
Finance costs					(11,200)
Unallocated corporate expenses					<u>(10,296)</u>
Profit before tax					<u>115,461</u>
Other segment information:					
Depreciation and amortisation expenses	4,876	4,486	9	799	10,170
Share of losses of associates	–	(1,657)	(1,334)	–	(2,991)
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(1,466)</u>	<u>–</u>	<u>(1,466)</u>

Information about reportable total assets:

	Manufacture and sale of electronic fire equipment <i>RMB'000</i>	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
At 30 June 2016					
Segment assets	<u>1,100,231</u>	<u>274,959</u>	<u>1,096,580</u>	<u>32,154</u>	<u>2,503,924</u>
Unallocated corporate assets					
Property, plant and equipment					8,142
Cash and cash equivalents					35,352
Others					<u>13,698</u>
					<u>57,192</u>
Total assets					<u><u>2,561,116</u></u>
Segment assets including:					
Investments in associates	9,952	193,357	615,978	–	819,287
Investments in joint ventures	–	–	248,231	–	248,231
Additions to non-current assets	<u>21,281</u>	<u>222</u>	<u>133,348</u>	<u>105</u>	<u>154,956</u>
At 31 December 2015					
Segment assets	<u>991,691</u>	<u>292,856</u>	<u>902,045</u>	<u>31,489</u>	<u>2,218,081</u>
Unallocated corporate assets					
Property, plant and equipment					5,352
Cash and cash equivalents					47,313
Others					<u>7,045</u>
					<u>59,710</u>
Total assets					<u><u>2,277,791</u></u>
Segment assets including:					
Investments in associates	–	195,496	451,105	–	646,601
Investments in joint ventures	–	–	243,478	–	243,478
Additions to non-current assets	<u>130,534</u>	<u>122,807</u>	<u>51,939</u>	<u>369</u>	<u>305,649</u>

Geographical information:

	Revenue		Non-current assets	
	Six months ended			
	30 June	30 June	30 June	31 December
	2016	2015	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC except Hong Kong	536,676	411,024	1,287,426	1,152,780
Hong Kong	–	–	–	1
The United States	5,123	5,182	21,996	22,303
Canada	–	–	17,429	15,824
	<u>541,799</u>	<u>416,206</u>	<u>1,326,851</u>	<u>1,190,908</u>

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

For the six months ended 30 June 2016 and 2015, revenue from any single external customer does not amount to 10% or more of the Group's revenue.

6. FINANCE COSTS

	Three months		Six months	
	ended 30 June		ended 30 June	
	2016	2015	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other loans	3,137	3,309	6,379	8,908
Net foreign exchange (gain)/losses	(1,545)	70	(3,085)	2,292
	<u>1,592</u>	<u>3,379</u>	<u>3,294</u>	<u>11,200</u>

7. INCOME TAX EXPENSE

	Three months		Six months	
	ended 30 June		ended 30 June	
	2016	2015	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC Enterprise				
Income Tax				
Provision for the period	17,960	12,535	26,016	19,293
Deferred tax	(1,884)	(1,537)	(1,884)	(1,537)
	<u>16,076</u>	<u>10,998</u>	<u>24,132</u>	<u>17,756</u>

No provision for Hong Kong Profits Tax is required for the six months ended 30 June 2016 and 2015 since the Group has no assessable profit for the periods.

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

These subsidiaries of the Company had been certified by the relevant PRC authorities as high technology enterprises. Pursuant to the Income Tax Law in the PRC, the three subsidiaries are subject to PRC Enterprise Income Tax ("EIT") at a rate of 15% effective for three years within 2018.

One subsidiary of the Company had been certified by the relevant PRC authorities as software enterprises. Pursuant to the Income Tax Law in the PRC, the subsidiary is subjected to EIT rate of 12.5% effective for five years ending 31 December 2016.

Other subsidiaries of the Company established in the PRC are generally subject to income tax on their taxable income at a tax rate of 25% (2015: 25%).

8. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after charging/(crediting) the following:

	Three months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Amortisation of other intangible assets				
Included in cost of sales and services	–	1,071	–	2,143
Included in administrative expenses	365	345	717	713
Depreciation	1,831	4,005	4,564	7,944
Loss/(gain) on disposal of property, plant and equipment	3	(31)	3	62

9. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic earnings per share attributable to owners of the Company for the three months ended 30 June 2016 is based on the profit for the period attributable to owners of the Company of RMB125,922,000 (2015: RMB29,866,000) and the weighted average number of ordinary shares of 1,184,800,000 (2015: 1,184,800,000) in issue during the period. No adjustment has been made to the basic profit per share amounts presented for the three months ended 30 June 2016 and 2015. Therefore, the calculation of the diluted earnings per share is the same as basic earnings per share.

The calculation of basic earnings per share attributable to owners of the Company for the six months ended 30 June 2016 is based on the profit for the period attributable to owners of the Company of RMB154,411,000 (2015: RMB42,481,000) and the weighted average number of ordinary shares of 1,184,800,000 (2015: 1,184,800,000) in issue during the period. No adjustment has been made to the basic profit per share amounts presented for the six months ended 30 June 2016 and 2015. Therefore, the calculation of the diluted earnings per share is the same as basic earnings per share.

10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (2015: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group had additions to property, plant and equipment of approximately RMB18,819,000 and disposed of property, plant and equipment with net book value of approximately RMB3,000.

12. TRADE AND OTHER RECEIVABLES

	30 June 2016 RMB'000	31 December 2015 RMB'000
Trade and bills receivables	562,365	464,132
Less: allowance for doubtful debts	(73,561)	(59,987)
	488,804	404,145
Advances to staff	3,079	2,729
Deposits	1,302	2,167
Due from associates	61,848	61,848
Loans and interest receivables	3,051	2,982
Other receivables	34,182	29,728
Less: allowance for doubtful debts	(27,388)	(27,254)
	76,074	72,200
Advances to suppliers	11,123	6,800
Prepayments	12,963	3,802
Gross amount due from customers for contract work	3,322	5,298
	592,286	492,245

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is sometimes required. The credit period generally ranges from 3 to 6 months, starting from the date on which the significant risks and rewards of ownership of products are transferred by the Group to customers or the date of completion of services provided or the payment due date as defined in the contracts, whichever is the latest. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforesaid and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

The ageing analysis of the trade and bills receivables, based on the date on which the significant risks and rewards of ownership of products were transferred by the Group to customers or the date of completion of services provided or the payment due date as defined in the contracts, whichever is the latest, is as follows:

	30 June 2016 RMB'000	31 December 2015 RMB'000
0 to 90 days	315,859	309,850
91 to 180 days	62,072	55,595
181 to 365 days	74,687	26,542
Over 365 days	36,186	12,158
	<u>488,804</u>	<u>404,145</u>

13. TRADE AND OTHER PAYABLES

	30 June 2016 RMB'000	31 December 2015 RMB'000
Trade payables	237,002	203,394
Gross amount due to customers for construction works	796	1,317
Accruals and other payables	116,512	88,103
Dividend payable to non-controlling interests	17,795	–
Due to shareholders	544	872
Due to related parties	26,817	1,768
Advance from customers	18,569	32,756
	<u>418,035</u>	<u>328,210</u>

The ageing analysis of trade payables, based on the date on which the significant risks and rewards of ownership of materials were transferred by the suppliers to the Group, is as follows:

	30 June 2016 RMB'000	31 December 2015 RMB'000
0 to 90 days	204,427	185,833
91 to 180 days	16,268	8,967
181 to 365 days	4,752	1,057
Over 365 days	11,555	7,537
	<u>237,002</u>	<u>203,394</u>

14. SHARE CAPITAL

	30 June 2016 RMB'000	31 December 2015 RMB'000
Registered, issued and fully paid:		
700,000,000 promoters shares of RMB0.10 each	70,000	70,000
484,800,000 H Shares of RMB0.10 each	48,480	48,480
	<u>118,480</u>	<u>118,480</u>

15. ACQUISITION OF A SUBSIDIARY

In January 2016, the Group completed the acquisition of an additional 39% equity interest and voting right in Ningbo Jade Bird Venture Capital Investment Co., Ltd. ("Ningbo Jade Bird VC"), an associate of the Group before the acquisition for a consideration of RMB78,000,000, of which RMB23,400,000 was payable to a connected person of the Company and the remaining RMB54,600,000 will be paid by way of assume the obligation to make capital contribution to Ningbo Jade Bird VC. Immediately after the acquisition, the Group owned a total of 70% equity interest in Ningbo Jade Bird VC, and Ningbo Jade Bird VC became a subsidiary of the Group.

The fair value of the identifiable assets and liabilities of Ningbo Jade Bird VC acquired at its date of acquisition is as follows:

	<i>RMB'000</i>
Investment in an associate	6,500
Available-for-sale financial assets	70,729
Bank and cash balances	11,080
Deferred tax liabilities	<u>(7,808)</u>
Total identified net assets at fair value	80,501
Non-controlling interests	(24,150)
Fair value of investment in an associate, before the acquisition	(24,956)
Investment revaluation reserve reclassified to profit or loss on step-acquisition of a subsidiary	7,214
Gain on bargain purchase recognised in other gains and income	<u>(15,209)</u>
Satisfied by cash	<u>23,400</u>

16. DISPOSALS OF SUBSIDIARIES

During the six months ended 30 June 2015, the Group disposed of each of (i) its 70% equity interest in Changbai Mountain Protection and Development Area Chuanqi Cultural Development Company Limited at a consideration of RMB40,680,000; (ii) its 70% equity interest in Beijing Badaling Chuanqi Tourism Development Company Limited at a consideration of RMB39,650,000 together with releasing the capital contribution of RMB35,000,000; and (iii) its 60% equity interest in Beijing Heyuan Investment Co., Ltd. at a consideration of RMB1, to independent third parties.

RMB'000

Consideration received:

Cash consideration received	<u>80,330</u>
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Analysis of assets and liabilities over which control was lost:

Property, plant and equipment	37,665
Other intangible assets	36
Deposit paid for potential investment	30,000
Inventories	563
Trade and other receivables	10,901
Bank and cash balances	912
Trade and other payables	(2,159)
Balances with group companies	<u>(12,081)</u>

Net assets disposed of	<u>65,837</u>
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Gain on disposals of subsidiaries:

Consideration received	80,330
Net assets disposed of	(65,837)
Non-controlling interests	<u>11,557</u>

Gain on disposal of subsidiaries	<u>26,050</u>
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17. MATERIAL RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with its related parties during the period:

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
Sales of electronic fire alarm systems and related products to related companies controlled by Peking University	<u>11</u>	<u>15</u>
Rental expenses for office building charged by a shareholder of the Company	<u>1,077</u>	<u>793</u>
Interest expenses paid to a non-controlling shareholder of a subsidiary	<u>203</u>	<u>–</u>
Rental income from an associate	<u>110</u>	<u>95</u>
Purchase of 20% equity interest in an associate from a related company controlled by Peking University	<u>50,000</u>	<u>–</u>
Purchase of 39% equity interest in a subsidiary from a related company controlled by Peking University	<u>23,400</u>	<u>–</u>

The Directors are of the opinion that the above transactions with related parties were conducted in the usual course of business.

- (b) Included in the condensed consolidated statement of financial position are the following material balances with related parties:

	30 June 2016	31 December 2015
	RMB'000	RMB'000
Trade receivables from related companies controlled by Peking University	<u>78</u>	<u>65</u>
Due from associates	<u>61,848</u>	<u>61,848</u>
Due from a related company controlled by Peking University	<u>27</u>	<u>27</u>
Trade payables to a related company controlled by Peking University	<u>16</u>	<u>16</u>
Due to shareholders	<u>544</u>	<u>872</u>
Due to related companies controlled by Peking University	<u>26,817</u>	<u>860</u>

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

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
Short term employee benefits	930	2,364
Post-employment benefits	22	92
	952	2,456

18. FINANCIAL GUARANTEE

On 31 January 2013, the Group and the Company have issued a guarantee in respect of a banking facility made by a bank to an associate of the Group which expires on 25 March 2023.

At the end of the reporting period, the directors do not consider it probable that a claim will be made against the Group under the guarantee. The maximum liability of the Group at the end of the reporting period under the guarantee issued is the facility drawn down by the associate of RMB200,000,000 (31 December 2015: RMB200,000,000). The Group have not recognised any deferred income in respect of the financial guarantee as its fair value was considered insignificant.

19. CAPITAL COMMITMENTS

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

	30 June 2016 RMB'000	31 December 2015 RMB'000
Contracted but not provided for		
Property, plant and equipment	12,870	15,801
Unpaid balance of capital contribution to associates and joint ventures	353,906	331,274

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overall performance

As a result of continuing satisfactory performance of the Group's main core businesses and the stable customer appetite within the industries, the Group recorded an improvement in turnover of 30.2% to approximately RMB541.8 million (2015: RMB416.2 million) for the six months ended 30 June 2016, while the gross profit reached approximately RMB255.1 million (2015: RMB183.4 million), increased by approximately RMB71.7 million or 39.1% year-on-year. The Group continued to maintain a competitive gross profit margin of approximately 47% (2015: 44%). The Group's total expenses, including distribution costs, administrative expenses and other expenses, were increased by 23.1% to approximately RMB122.1 million (2015: RMB99.2 million), mainly as a result of the continued expansion of the Group's operations and the acquisition of a subsidiary during the period. During the six months ended 30 June 2016, the Group recognised gain on purchase of approximately RMB15.2 million and approximately RMB89.5 million included in other gains and income as a result of completion of acquisition of a subsidiary and the acquisition of associates respectively. Details of the acquisitions are set out in the section "Material acquisitions and disposals of subsidiaries and affiliated companies" below. As a result of the record high turnover and recognition of gain on bargain purchase of a subsidiary and associates for the period, the Group's profit attributable to owners of the Company was increased by 263.3% to approximately RMB154.4 million for the six months ended 30 June 2016 (2015: RMB42.5 million).

Manufacture and sale of electronic fire equipment

The Group generates revenue from the manufacture and sale of fire safety systems, with its main production facilities located at Zhuolu County, Hebei Province. The Group's main fire safety products, including fire automatic alarm and control linkage system, electrical fire monitoring system, automatic gas fire extinguishing system and gas detection monitoring system, are designed for provision of a comprehensive and integration fire safety solution. The Group mainly distributes its products through dealers across the region in the PRC.

For the six months ended 30 June 2016, the Group's manufacture and sale of electronic fire equipment business continued to experience steady growth and recorded a turnover of approximately RMB481.8 million (2015: RMB364.6 million), representing an increase by 32.1% when compared with the corresponding period of 2015. As one of the best-known brands of the fire alarm equipment in the PRC, the Group continued to gain stronger loyalty from customers and grow its customer base as a result of effective brand buildings for the past years. With enhancement of the capacity of research and development, the Group developed a series of products of fire automatic alarm and linkage system under the guidance of the new fire safety standards. By strict screening of raw material suppliers and close supervision of production process, the Group focused on delivering top quality and high performance electronic fire equipment products to its customers. During the period, the Group conducted promotional

campaigns in a number of cities to further increase market share. The concerted effort of the Group and its dealers in expanding the market and increase in competitiveness by launching products with advanced technology and innovation in accordance with new fire safety standards further enhanced the performance of the Group's manufacture and sale of electronic fire equipment business.

Tourism development

The Group is the environmental shuttle bus operator in Hengshan Mountain scenic area, and fare revenue from tourists and pilgrims is the main source of income of the Group's tourism development business. The Group is also engaged in provision of property management services and operation of tourist souvenir shops in the scenic area. Turnover generated from the Group's tourism development business increased from approximately RMB46.4 million in 2015 to approximately RMB54.8 million in 2016, representing a growth of 18.1%. Such growth was mainly attributable to the increase in the number of tourists and pilgrims to Hengshan by approximately 13.3%.

The Group's associate, Changsha Songya Lake Construction Investment Co., Ltd. ("Songya Lake Construction") continued to take part in the construction and land development project of landscape architectures centered on Sonya Lake. On 31 January 2013, the Company, as a guarantor, executed a guarantee in favour of two banks (the "Banks"), in relation to the provision of guarantee by the Company in favour of the Banks to secure obligations of Songya Lake Construction, under the facility agreement in respect of the aggregate principal amount of RMB986,000,000 (the "Guarantee"). The amount of the Guarantee provided by the Company is RMB200,000,000 in respect of the principal amount and the related interest, default interest, compound interest, compensation, default fine, compensation for damages and expenses incurred in enforcing the claims, which did not exceed 8% of the Group's total assets value as at 30 June 2016. The unaudited consolidated statement of financial position of Songya Lake Construction and the Group's attributable interests in Sonya Lake Construction based on its unaudited consolidated financial statements for the six months ended 30 June 2016 prepared in accordance with the generally accepted accounting principles in the PRC, adjusted for any differences in accounting policies, are presented below:

	Consolidated statement of financial position RMB'000	Group's attributable interests RMB'000
Assets	2,299,562	642,958
Liabilities	(2,165,091)	(605,360)
Net assets	<u>134,471</u>	<u>37,598</u>

Investment holding

As at 30 June 2016, the Group's investment holding business mainly included investments in private equity funds (the investment areas of which included private enterprises in the PRC with businesses ranging from the provision of information technology vocational education, insurance business, baby products retailing business, manufacturing and sale of light-emitting diode related products, property development and IT development business, etc.), the equity interests in listed companies in Hong Kong, and the equity interest in a private enterprise in the PRC which is principally engaged in manufacture and sale of light-emitting diode related products. During the period, the Group completed the acquisitions of equity interests in three private equity funds (details of which are set out in the section "Material acquisitions and disposals of subsidiaries and affiliated companies below), that further diversified the Group's investment portfolio. Because of the acquisitions, the total assets of the Group's investment holding business increased from approximately RMB902.0 million as at 31 December 2015 to approximately RMB1,096.6 million as at 30 June 2016, representing an increase of 21.6%.

Outlook

The Group will step up efforts on the exploration of fire safety market by increasing the support to the dealers, enhancing product marketing and promotion and extending into the internet market for fire safety industry. The Group will also continue to make further investment to research and development and concentrate on building team of high calibre people so as to improve function and quality of products and strengthen our core competitiveness. Meanwhile, the Group will actively work out an international strategic development plan which will help the Group to enter the international market by obtaining further international certifications for our fire safety products.

In light of continuous improvement in the living standard at mainland China, tourism has evolved from an extravagant lifestyle for only few people to an activity affordable by mass consumers. As tourism becomes an integral part of daily life, development of tourism industry has been high in agenda for many regions, benefiting tourism industry in the PRC with forthcoming opportunities. In addition, the Group's tourism development business will be further benefited by the expected increase in number of pilgrims during the religious festival in the third quarter.

The Group continued to keep on seeking potential investment opportunities in order to further expand its investment portfolio and broaden its source of income.

Material acquisitions and disposals of subsidiaries and affiliated companies

On 10 August 2015, the Company entered into the equity interest transfer agreement (the “Agreement”) with a connected person of the Company to acquire an additional 39% equity interest in Ningbo Jade Bird VC at a consideration of RMB23,400,000 in cash together with capital contribution commitment of RMB54,600,000. Ningbo Jade Bird VC is a limited liability company established in the PRC and is principally engaged in venture capital investment in companies with innovative and high technology in emerging industries, such as culture, healthcare, new energy and environmental protection. The approval of the independent shareholders’ of the Company in respect of the Agreement and the transactions contemplated has been obtained at the special general meeting of the Company on 12 January 2016. Upon the completion of the transfer taken place in January 2016, the Company owned a total of 70% indirect interest in Ningbo Jade Bird VC. Ningbo Jade Bird VC became a subsidiary of the Company.

On 13 February 2015, a subsidiary of the Company and a connected person of the Company entered into the equity interest transfer agreement, pursuant to which the subsidiary of the Company acquired 20% equity interest in Beijing Xinzongrui Venture Capital Co., Ltd. (“Xinzongrui VC”) at a consideration of RMB50,000,000. Xinzongrui VC is a company incorporated in Beijing, the PRC with a registered capital of RMB250 million and its scope of business is venture capital investment, entrusted agency services for venture capital investment business on behalf of other venture capital institutional or individual investors, venture capital investment consultancy, and provision of venture management services for startup companies. Completion of the transfer took place during the period and Xinzongrui become an associate of the Group.

On 27 May 2016, the Company and a subsidiary of the Company entered into the equity interest transfer agreements with independent third parties for acquisitions of (i) a total of 45% equity interest in Shanghai Shengjin Venture Capital Investment Co., Ltd. (“Shanghai Shengjin VC”) at total consideration of RMB27,000,000 in cash together with capital contribution commitment of RMB63,000,000; and (ii) a total of 30% equity interest in Shanghai Shengyou Venture Investment Management Co., Ltd. (“Shanghai Shengyou”) at total consideration of RMB300,000 in cash together with capital commitment of RMB1,200,000. Shanghai Shengjin VC is a company incorporated in Shanghai, the PRC with a registered capital of RMB200,000,000 and its scope of business is venture capital investment in companies with innovative and high growth in industries of new materials, energy saving, environmental protection and high-end equipment manufacturing, investment consultancy and provision of enterprise management services. Shanghai Shengyou is a company incorporated in Shanghai, the PRC with registered capital of RMB5,000,000 and its scope of business is investment management, asset management, corporate management consultancy, business consultancy, investment consultancy and marketing planning. Completion of the transfers took place during the period and Shanghai Shengjin VC and Shanghai Shengyou become associates of the Group.

Saved as disclosed herein this section, during the six months ended 30 June 2016, 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 2016, the Group's major operations were financed mainly by the internal financial resources and by corporate borrowings. As at 30 June 2016, the Group had cash and bank balances of approximately RMB222.1 million, which were denominated mainly in Renminbi ("RMB"), Hong Kong dollars ("HK\$"), US dollars ("USD") and Canadian dollars ("CAD").

As at 30 June 2016, the Group had net assets of approximately RMB1,897.5 million. The Group had total outstanding borrowings of approximately RMB206.2 million, comprising secured bank loans of approximately RMB206.2 million. The bank loans were denominated in RMB and USD and bore interest rates ranging from 4.47% per annum to 7.68% per annum.

As at 30 June 2016, the Company's outstanding number of issued promoters shares and H shares of RMB0.10 each were 700,000,000 shares and 480,000,000 shares respectively. There was no change in share capital of the Company during the period.

On 17 June 2016, the Company and a third party placing agent entered into a placing agreement, whereby the Company has conditionally agreed to place, through the placing agent, on a best effort basis, of up to 96,960,000 placing H shares to not less than seven but not exceeding ten independent placees at the placing price of HK\$0.99 (equivalent to approximately RMB0.85) per placing H share (representing a discount of approximately 13.9% to the closing price of HK\$1.15 (equivalent to approximately RMB0.98) per H share on 17 June 2016). The placing was completed on 11 July 2016 raising net proceeds of approximately HK\$95.5 million (equivalent to approximately RMB81.6 million) (representing a net placing price of approximately HK\$0.98 (equivalent to approximately RMB0.84) per placing H share). The Directors expected that approximately 70% of net proceeds of the placing will be applied to explore acquisition opportunities and development of new businesses; and approximately 30% of the net proceeds of the placing would be used to repay existing indebtedness and supplement working capital of the Group. As a result of the placing, on 11 July 2016, the total number of issued H shares of the Company was increased from 484,800,000 H shares to 581,760,000 H shares, and the total number of issued shares of the Company (including both the H shares and the promoters shares) was increased from 1,184,800,000 shares to 1,281,760,000 shares. Details of the above were disclosed in the announcements of the Company dated 17 June 2016 and 11 July 2016.

The gearing ratio of the Group as at 30 June 2016, which is measured by total indebtedness to total equity, was 10.9% (31 December 2015: 12.9%). There was an improvement in the gearing ratio as a result of the stable level of total indebtedness during the period.

Significant investments held

Saved as disclosed herein this section, for the six months ended 30 June 2016, 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 30 June 2016.

Contingent liabilities

The Group had contingent liabilities in the sum of approximately RMB200 million in respect of guarantee for banking facilities granted to an associate of the Company.

Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 30 June 2016.

Foreign exchange exposure

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

Charge on assets

As at 30 June 2016, the Group's certain fixed assets with carrying amount of approximately RMB73.9 million (31 December 2015: RMB50.2 million), other intangible assets with carrying amount of approximately RMBNil (31 December 2015: Nil) and bank deposit and bank balances of approximately RMBNil (31 December 2015: RMB15.0 million) were pledged as securities for the Group's bank loans.

Employees and remuneration policy

The Group considers people as the valuable assets. The Group had a workforce of 2,216 people at the end of the reporting period, up 16.8% since the end of 2015. The increase in workforce is in line with the growth of the Group. 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 emphasize 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 had representative from the workforce.

Director's emoluments consist of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director.

The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB79.3 million for the six months ended 30 June 2016 (2015: RMB68.5 million).

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

As at 30 June 2016, the interests (including interests in shares and short positions) of Directors, supervisors (the "Supervisors"), and chief executives of the Company in the shares (the "Shares") and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares and underlying shares of the Company

		Number of ordinary Shares			Approximate percentage of the Company's total number of issued promoters Shares	Approximate percentage of the Company's total number of issued H Shares	Approximate percentage of the Company's total issued share capital
Name	Capacity	Interests in	Interests in H Shares	Total			
		Shares					
		(Note)					
Director							
Mr. Zhang Wanzhong	Beneficial owner and beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	17.34%
Supervisor							
Ms. Zhou Min	Beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	17.34%

Note:

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

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules as at 30 June 2016.

DIRECTORS’ AND SUPERVISORS’ RIGHTS TO ACQUIRE SHARES

At no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Director and Supervisor or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors and Supervisors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2016, the following interests and short positions of the issued share capital of the Company were recorded in the register of interests required to be maintained by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares and underlying shares of the Company

Name of shareholder	Note	Capacity	Number of promoters Shares held	Approximate percentage of the Company's total number of issued promoters Shares	Approximate percentage of the Company's total issued share capital
1. Peking University	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
2. Beida Asset Management Co., Ltd.	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
3. Beijing Beida Jade Bird Software System Co., Ltd.	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
4. Beijing Beida Jade Bird Limited	(a)	Directly beneficially owned	115,000,000	16.43%	9.71%
5. Beida Microelectronics Investment Limited	(a)	Through controlled corporations	85,000,000	12.14%	7.17%
6. Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd	(a)	Through a controlled corporation	85,000,000	12.14%	7.17%

Name of shareholder	Note	Capacity	Number of promoters Shares held	Approximate percentage of the Company's total number of issued promoters Shares	Approximate percentage of the Company's total issued share capital
7. Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd	(a)	Directly beneficially owned	85,000,000	12.14%	7.17%
8. Grand East (H.K.) Limited		Directly beneficially owned	110,000,000	15.71%	9.28%
9. Heng Huat Investments Limited	(b)	Through a controlled corporation	205,414,000	29.34%	17.34%
10. Dynamic Win Assets Limited	(b)	Directly beneficially owned	205,414,000	29.34%	17.34%
11. Mongolia Energy Corporation Limited	(c)	Through a controlled corporation	84,586,000	12.08%	7.14%
12. New View Venture Limited	(c)	Directly beneficially owned	84,586,000	12.08%	7.14%
13. Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	4.22%

Notes:

- (a) Peking University is taken to be interested in 16.88% of the total issued share capital of the Company through the following companies:
 - (i) 115 million promoters Shares (representing approximately 9.71% of the Company's total issued share capital) held by Beida Jade Bird, which is 46% beneficially owned by Jade Bird Software. Jade Bird Software is 48% beneficially owned by Beida Asset Management Co., Ltd., a wholly owned subsidiary of Peking University;
 - (ii) 85 million promoters Shares (representing approximately 7.17% of the Company's total issued share capital) in which Haikou Jade Bird Yuanwang Sei-Tech Development Co., Ltd. ("Haikou Jade Bird") is interested. Jade Bird Software owns 100% equity interest in Beida Microelectronics Investment Limited which in turn owns 46% equity interest in Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd which in turn owns 100% equity interest in Haikou Jade Bird; and
 - (iii) Mr. Zhang Wanzhong is a supervisor of Beida Jade Bird.
- (b) The promoters Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat.
- (c) The promoters Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.

Save as disclosed above, no person, other than the Directors and Supervisors, whose interests are set out in the section "Directors', Supervisors' and chief executives' interests and short positions in shares and underlying shares" above, had registered interests or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO as at 30 June 2016.

COMPETING INTERESTS

As at 30 June 2016, none of the Directors and Supervisors and their respective associates (as defined in the GEM Listing Rules) had interests in a business which competes or may compete with the businesses of the Group, or may have any conflicts of interest with the Group pursuant to the GEM Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Board is of the view that the Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules during the six months ended 30 June 2016.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2016.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and required standard of dealings and its code of conduct regarding security transactions by the Directors throughout the six months ended 30 June 2016.

AUDIT COMMITTEE

The Company has established the Audit Committee with terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The primary duties of the Audit Committee include monitoring the financial reporting system and internal control procedure of the Group, reviewing financial information and advising the Board on the engagement and independence of external auditors.

The Audit Committee currently comprises four independent non-executive Directors, namely Mr. Shao Jiulin, Mr. Li Juncai, Mr. Lin Yan and Mr. Li Chonghua. Mr. Shao Jiulin is the chairman of the Audit Committee. The Audit Committee had held a meeting to review the Group's second quarterly results report for the six months ended 30 June 2016 and concluded the meeting with agreement to the contents of the second quarterly results report.

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

Beijing, the PRC, 9 August 2016

As at the date of this announcement, Mr. Zhang Wanzhong, Ms. Zheng Zhong and Mr. Ip Wing Wai are executive Directors, Mr. Ni Jinlei, Ms. Xue Li and Mr. Zhao Xuedong are non-executive Directors and Mr. Shao Jiulin, Mr. Li Juncai, Mr. Lin Yan and Mr. Li Chonghua are independent non-executive Directors.

This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at “www.jbu.com.cn”.