



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)**

## **SECOND QUARTERLY RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018**

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

**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.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, 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 announcement.*

*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 2018 together with the unaudited comparative figures for the corresponding period in 2017 as follows:

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

For the six months ended 30 June 2018

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2018	2017	2018	2017
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Turnover</b>	3	<b>498,406</b>	422,535	<b>772,851</b>	643,879
Cost of sales and services		<u>(275,237)</u>	<u>(224,107)</u>	<u>(419,902)</u>	<u>(342,098)</u>
<b>Gross profit</b>		<b>223,169</b>	198,428	<b>352,949</b>	301,781
Other gains and income	4	<b>5,358</b>	928	<b>9,519</b>	3,563
Distribution costs		<u>(32,652)</u>	<u>(28,144)</u>	<u>(59,377)</u>	<u>(48,733)</u>
Administrative expenses		<u>(31,431)</u>	<u>(34,364)</u>	<u>(58,385)</u>	<u>(62,497)</u>
Other expenses		<u>(36,632)</u>	<u>(26,682)</u>	<u>(61,525)</u>	<u>(39,159)</u>
<b>Profit from operations</b>		<b>127,812</b>	110,166	<b>183,181</b>	154,955
Finance costs	6	<b>165</b>	(4,296)	<b>(7,739)</b>	(6,427)
Share of profits/(losses) of associates		<b>51,020</b>	(3,416)	<b>45,697</b>	6,468
Share of losses of joint ventures		<u>(133)</u>	<u>(211)</u>	<u>(298)</u>	<u>(380)</u>
<b>Profit before tax</b>		<b>178,864</b>	102,243	<b>220,841</b>	154,616
Income tax expense	7	<u>(22,767)</u>	<u>(20,204)</u>	<u>(33,813)</u>	<u>(29,104)</u>
<b>Profit for the period</b>	8	<b>156,097</b>	82,039	<b>187,028</b>	125,512
<b>Other comprehensive income after tax:</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Changes in fair value of available-for-sale financial assets		<b>(933)</b>	(2,173)	<b>(11,567)</b>	(11,220)
Exchange differences on translating foreign operations		<b>21,662</b>	(4,953)	<b>2,620</b>	(10,050)
Recognition of other reserves		–	255	–	255
Share of other comprehensive income of joint ventures		–	(3)	<b>12</b>	1

		Three months ended 30 June		Six months ended 30 June	
		2018	2017	2018	2017
	Note	RMB'000	RMB'000	RMB'000	RMB'000
<b>Other comprehensive income for the period, net of tax</b>		<u>20,729</u>	<u>(6,874)</u>	<u>(8,935)</u>	<u>(21,014)</u>
<b>Total comprehensive income for the period</b>		<u>176,826</u>	<u>75,165</u>	<u>178,093</u>	<u>104,498</u>
<b>Profit for the period attributable to:</b>					
Owners of the Company		104,164	37,862	119,274	64,488
Non-controlling interests		51,933	44,177	67,754	61,024
		<u>156,097</u>	<u>82,039</u>	<u>187,028</u>	<u>125,512</u>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		124,278	30,737	111,060	42,778
Non-controlling interests		52,548	44,428	67,033	61,720
		<u>176,826</u>	<u>75,165</u>	<u>178,093</u>	<u>104,498</u>
		RMB	RMB	RMB	RMB
<b>Earnings per share</b>					
Basic and diluted (cents per share)	9	<u>7.56</u>	<u>2.75</u>	<u>8.65</u>	<u>4.74</u>

## Condensed Consolidated Statement of Financial Position

At 30 June 2018

		<b>30 June</b>	31 December
		<b>2018</b>	2017
		<b>(Unaudited)</b>	(Audited)
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	<i>11</i>	<b>315,703</b>	311,778
Goodwill		<b>19,987</b>	17,761
Other intangible assets		<b>5,370</b>	6,154
Biological assets		<b>4,330</b>	4,276
Investments in associates		<b>769,513</b>	685,366
Investments in joint ventures		<b>320,114</b>	316,421
Investments in film production		<b>11,991</b>	11,991
Available-for-sale financial assets		<b>221,035</b>	232,606
Deposits paid for potential investments		<b>7,900</b>	9,400
Deferred tax assets		<b>16,343</b>	12,991
		<u><b>1,692,286</b></u>	<u>1,608,744</u>
<b>Current assets</b>			
Inventories		<b>196,620</b>	158,851
Trade and other receivables	<i>12</i>	<b>939,032</b>	753,562
Time deposits with original maturity of more than three months when acquired		<b>1,172</b>	1,159
Cash and cash equivalents		<b>496,333</b>	658,235
		<u><b>1,633,157</b></u>	<u>1,571,807</u>
<b>Total assets</b>		<u><b>3,325,443</b></u>	<u>3,180,551</u>

		<b>30 June 2018 (Unaudited) RMB'000</b>	31 December 2017 (Audited) RMB'000
	<i>Note</i>		
<b>Current liabilities</b>			
Trade and other payables	13	<b>398,791</b>	435,484
Bank loans		<b>225,561</b>	220,850
Current tax liabilities		<b>28,192</b>	33,659
		<u><b>652,544</b></u>	<u>689,993</u>
<b>Net current assets</b>		<u><b>980,613</b></u>	<u>881,814</u>
<b>Total assets less current liabilities</b>		<u><b>2,672,899</b></u>	<u>2,490,558</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u><b>2,310</b></u>	<u>2,310</u>
<b>NET ASSETS</b>		<u><b>2,670,589</b></u>	<u>2,488,248</u>
<b>Capital and reserves</b>			
Share capital	14	<b>137,872</b>	137,872
Reserves		<u><b>1,741,529</b></u>	<u>1,630,469</u>
Equity attributable to owners of the Company		<b>1,879,401</b>	1,768,341
Non-controlling interests		<u><b>791,188</b></u>	<u>719,907</u>
<b>TOTAL EQUITY</b>		<u><b>2,670,589</b></u>	<u>2,488,248</u>

## Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2018

	Attributable to owners of the Company									
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Investment revaluation reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	128,176	449,966	133,630	(33,178)	105,717	12,552	677,774	1,474,637	548,174	2,022,811
Issue of shares	9,696	112,553	-	-	-	-	-	122,249	-	122,249
Total comprehensive income for the period	-	-	-	(10,643)	(11,220)	153	64,488	42,778	61,720	104,498
Reclassification	-	-	-	-	-	3,157	-	3,157	2,104	5,261
Changes in equity for the period	9,696	112,553	-	(10,643)	(11,220)	3,310	64,488	168,184	63,824	232,008
Balance at 30 June 2017	<u>137,872</u>	<u>562,519</u>	<u>133,630</u>	<u>(43,821)</u>	<u>94,497</u>	<u>15,862</u>	<u>742,262</u>	<u>1,642,821</u>	<u>611,998</u>	<u>2,254,819</u>
Balance at 1 January 2018	137,872	562,519	149,610	(59,266)	132,592	16,295	828,719	1,768,341	719,907	2,488,248
Total comprehensive income for the period	-	-	-	3,353	(11,567)	-	119,274	111,060	67,033	178,093
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	875	875
Appropriation of safety production fund	-	-	-	-	-	(155)	155	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	3,373	3,373
Changes in equity for the period	-	-	-	3,353	(11,567)	(155)	119,429	111,060	71,281	182,341
Balance at 30 June 2018	<u>137,872</u>	<u>562,519</u>	<u>149,610</u>	<u>(55,913)</u>	<u>121,025</u>	<u>16,140</u>	<u>948,148</u>	<u>1,879,401</u>	<u>791,188</u>	<u>2,670,589</u>

**Condensed Consolidated Statement of Cash Flows (Unaudited)***For the six months ended 30 June 2018*

	<b>Six months ended 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Net cash used in operating activities	<b>(126,256)</b>	(143,467)
Net cash used in investing activities	<b>(57,834)</b>	(75,900)
Net cash generated from financing activities	<b>21,204</b>	191,731
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(162,886)</b>	(27,636)
Effect of foreign exchange rate changes	<b>984</b>	(2,273)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>658,235</b>	509,341
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>496,333</b>	479,432
<b>Analysis of the balances of cash and cash equivalents:</b>		
Cash and bank balances	<b>496,333</b>	479,432
Time deposits	<b>1,172</b>	1,198
	<b>497,505</b>	480,630
Less: Non-pledged time deposits with original maturity of more than three months when acquired	<b>(1,172)</b>	(1,198)
Cash and cash equivalents	<b>496,333</b>	479,432

*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 2018. 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 2018. 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 2017. 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	
	2018	2017	2018	2017
	<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	<b>463,087</b>	390,358	<b>704,619</b>	584,896
Rendering of travel and leisure services	<b>32,685</b>	29,284	<b>63,776</b>	53,862
Sales of wine and related products	<b>2,634</b>	2,893	<b>4,456</b>	5,121
	<b>498,406</b>	422,535	<b>772,851</b>	643,879

### 4. OTHER GAINS AND INCOME

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	<b>383</b>	318	<b>859</b>	700
Government grants	<b>654</b>	–	<b>1,934</b>	–
Reversal of allowance for doubtful other receivables	<b>568</b>	–	<b>568</b>	–
Others	<b>3,753</b>	610	<b>6,158</b>	2,863
	<b>5,358</b>	928	<b>9,519</b>	3,563

## 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 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. Segment non-current assets do not include available-for-sales financial assets and deferred tax 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:

	<b>Manufacture and sale of electronic fire equipment</b> <i>RMB'000</i>	<b>Tourism development</b> <i>RMB'000</i>	<b>Investment holding</b> <i>RMB'000</i>	<b>All other segments</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Six months ended 30 June 2018</b>					
Revenue from external customers	<u>704,619</u>	<u>63,776</u>	<u>–</u>	<u>4,456</u>	<u>772,851</u>
Segment profit	<u>161,752</u>	<u>29,948</u>	<u>44,519</u>	<u>93</u>	<u>236,312</u>
Interest income					859
Finance costs					(7,739)
Unallocated corporate expenses					<u>(8,591)</u>
Profit before tax					<u>220,841</u>
<b>Other segment information:</b>					
Depreciation and amortisation expenses	10,688	1,787	14	850	13,339
Share of (losses)/gains of associates	(2,847)	(2,842)	51,386	–	45,697
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(298)</u>	<u>–</u>	<u>(298)</u>
<b>Six months ended 30 June 2017</b>					
Revenue from external customers	<u>584,896</u>	<u>53,862</u>	<u>–</u>	<u>5,121</u>	<u>643,879</u>
Segment profit/(loss)	<u>143,338</u>	<u>23,248</u>	<u>2,424</u>	<u>(37)</u>	<u>168,973</u>
Interest income					700
Finance costs					(6,427)
Unallocated corporate expenses					<u>(8,630)</u>
Profit before tax					<u>154,616</u>
<b>Other segment information:</b>					
Depreciation and amortisation expenses	8,775	1,663	20	936	11,394
Share of (losses)/gains of associates	(1,424)	(1,834)	9,726	–	6,468
Share of losses of joint ventures	<u>–</u>	<u>–</u>	<u>(380)</u>	<u>–</u>	<u>(380)</u>

Information about reportable segment assets:

	<b>Manufacture and sale of electronic fire equipment</b> <i>RMB'000</i>	<b>Tourism development</b> <i>RMB'000</i>	<b>Investment holding</b> <i>RMB'000</i>	<b>All other segments</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>At 30 June 2018</b>					
Segment assets	<u>1,818,233</u>	<u>294,998</u>	<u>1,139,300</u>	<u>28,257</u>	<u>3,280,788</u>
Unallocated corporate assets					
Property, plant and equipment					7,152
Cash and cash equivalents					19,181
Others					<u>18,322</u>
					<u>44,655</u>
Total assets					<u><u>3,325,443</u></u>
<b>Segment assets including:</b>					
Investments in associates	19,019	194,378	556,116	–	769,513
Investments in joint ventures	–	–	320,114	–	320,114
Additions to non-current assets	<u>21,016</u>	<u>1,225</u>	<u>36,000</u>	<u>–</u>	<u>58,241</u>
<b>At 31 December 2017</b>					
Segment assets	<u>1,735,444</u>	<u>284,845</u>	<u>1,061,105</u>	<u>29,477</u>	<u>3,110,871</u>
Unallocated corporate assets					
Property, plant and equipment					7,493
Cash and cash equivalents					45,274
Others					<u>16,913</u>
					<u>69,680</u>
Total assets					<u><u>3,180,551</u></u>
<b>Segment assets including:</b>					
Investments in associates	21,866	197,220	466,280	–	685,366
Investments in joint ventures	–	–	316,421	–	316,421
Additions to non-current assets	<u>96,305</u>	<u>873</u>	<u>126,119</u>	<u>–</u>	<u>223,297</u>

Geographical information:

	Revenue		Non-current assets	
	Six months ended		30 June	
	30 June	30 June	30 June	31 December
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC except Hong Kong	768,204	638,758	1,378,650	1,283,755
The United States	4,629	5,121	15,635	16,257
Canada	15	–	60,623	63,135
Others	3	–	–	–
	<u>772,851</u>	<u>643,879</u>	<u>1,454,908</u>	<u>1,363,147</u>

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

For the six months ended 30 June 2018 and 2017, 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	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other loans	2,826	3,396	5,368	5,664
Net foreign exchange (gain)/losses	(2,991)	900	2,371	763
	<u>(165)</u>	<u>4,296</u>	<u>7,739</u>	<u>6,427</u>

## 7. INCOME TAX EXPENSE

	Three months		Six months	
	ended 30 June		ended 30 June	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax				
Provision for the period				
PRC	26,111	22,063	37,157	30,963
The United States	8	–	8	–
	<u>26,119</u>	<u>22,063</u>	<u>37,165</u>	<u>30,963</u>
Deferred tax	(3,352)	(1,859)	(3,352)	(1,859)
	<u>22,767</u>	<u>20,204</u>	<u>33,813</u>	<u>29,104</u>

No provision for Hong Kong Profits Tax is required for the six months ended 30 June 2018 and 2017 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.

Three 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 at a rate of 15% effective for three years within 2019.

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% (2017: 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	
	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
Amortisation of other intangible assets	546	451	1,092	818
Depreciation	6,400	5,429	12,588	10,911
Loss/(gain) on disposal of property, plant and equipment	21	(39)	27	(36)

## 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 2018 is based on the profit for the period attributable to owners of the Company of RMB104,164,000 (2017: RMB37,862,000) and the weighted average number of ordinary shares of 1,378,720,000 (2017: 1,378,720,000) in issue during the period. No adjustment has been made to the basic profit per share amounts presented for the three months ended 30 June 2018 and 2017. 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 2018 is based on the profit for the period attributable to owners of the Company of RMB119,274,000 (2017: RMB64,488,000) and the weighted average number of ordinary shares of 1,378,720,000 (2017: 1,359,435,000) 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 2018 and 2017. 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 2018 (2017: Nil).

## 11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group had additions to property, plant and equipment of approximately RMB19,481,000 and disposed of property, plant and equipment with net book value of approximately RMB97,000.

## 12. TRADE AND OTHER RECEIVABLES

	<b>30 June 2018 RMB'000</b>	31 December 2017 RMB'000
Trade and bills receivables	<b>918,024</b>	733,313
Less: allowance for doubtful debts	<b>(104,948)</b>	(81,045)
	<b>813,076</b>	652,268
Advances to staff	<b>2,817</b>	2,200
Deposits	<b>3,162</b>	2,642
Due from associates	<b>47,941</b>	51,178
Due from shareholders	<b>154</b>	151
Loans and interest receivables	<b>1,000</b>	1,000
Other receivables	<b>68,228</b>	40,782
Less: allowance for doubtful debts	<b>(30,290)</b>	(29,517)
	<b>93,012</b>	68,436
Advances to suppliers	<b>10,756</b>	10,903
Prepayments	<b>19,956</b>	19,344
Gross amount due from customers for contract work	<b>2,232</b>	2,611
	<b>939,032</b>	753,562

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:

	<b>30 June 2018 RMB'000</b>	31 December 2017 RMB'000
0 to 90 days	<b>419,379</b>	433,569
91 to 180 days	<b>143,212</b>	88,628
181 to 365 days	<b>157,471</b>	75,084
Over 365 days	<b>93,014</b>	54,987
	<b><u>813,076</u></b>	<b><u>652,268</u></b>

### 13. TRADE AND OTHER PAYABLES

	<b>30 June 2018 RMB'000</b>	31 December 2017 RMB'000
Trade payables	<b>276,341</b>	259,707
Gross amount due to customers for construction work	<b>478</b>	541
Accruals and other payables	<b>77,327</b>	69,327
Salaries and staff welfare payables	<b>18,686</b>	43,838
Due to associates	<b>3,807</b>	3,507
Due to a shareholder	<b>2,328</b>	2,256
Due to related parties	<b>4,067</b>	4,087
Advance from customers	<b>15,757</b>	52,221
	<b><u>398,791</u></b>	<b><u>435,484</u></b>

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:

	<b>30 June 2018 RMB'000</b>	31 December 2017 RMB'000
0 to 90 days	<b>240,755</b>	203,745
91 to 180 days	<b>26,854</b>	35,186
181 to 365 days	<b>3,770</b>	11,256
Over 365 days	<b>4,962</b>	9,520
	<b><u>276,341</u></b>	<b><u>259,707</u></b>



## 14. SHARE CAPITAL

	Number of shares			Amount		
	Promoters		Total	Promoters		Total
	shares	H shares		shares	H shares	
'000	'000	'000	RMB'000	RMB'000	RMB'000	
Registered, issued and fully paid:						
Shares of RMB0.10 each						
At 1 January 2018 and at 30 June 2018	<b>700,000</b>	<b>678,720</b>	<b>1,378,720</b>	<b>70,000</b>	<b>67,872</b>	<b>137,872</b>

## 15. ACQUISITION OF A SUBSIDIARY

In March 2018, the Group acquired a 40% equity interest in Shanxi Zhengtianqi Fire Equipment Company Limited (“Shanxi Zhengtianqi”) at a consideration of RMB1,134,000 from one independent third party of the Group together with capital contribution commitment of RMB4,955,000. Shanxi Zhengtianqi was engaged in research, development and sales of fire equipment and related products.

The fair value of the identifiable assets and liabilities of Shanxi Zhengtianqi acquired as at the date of acquisition are as follows:

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	270
Other intangible assets	2
Inventories	80
Trade and other receivables	407
Cash and cash equivalents	3,986
Trade and other payables	(7)
	<u>4,738</u>
Non-controlling interests	(875)
Goodwill	<u>2,226</u>
Satisfied by cash	<u>6,089</u>

## 16. 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:

	<b>Six months ended 30 June</b>	
	<b>2018</b> <i>RMB'000</i>	2017 <i>RMB'000</i>
Sales of electronic fire alarm systems and related products to related companies controlled by Peking University	<u>55</u>	<u>48</u>
Rental expenses for office buildings charged by		
– a shareholder of the Company	<b>1,218</b>	1,225
– a non-controlling interest of a subsidiary	<u>40</u>	<u>508</u>
	<u><b>1,258</b></u>	<u>1,733</u>
Loan interest expense paid to a non-controlling interest of a subsidiary	<u>201</u>	<u>201</u>
Purchase of 40% equity interest in an associate from a related company controlled by Peking University	<u>–</u>	<u>400</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:

	<b>30 June 2018</b> <i>RMB'000</i>	31 December 2017 <i>RMB'000</i>
Due from associates	<u>47,941</u>	<u>51,178</u>
Due from shareholders	<u>154</u>	<u>151</u>
Due from a related company controlled by Peking University included in other receivables	<u>27</u>	<u>27</u>
Trade payables to a related company controlled by Peking University	<u>–</u>	<u>16</u>
Due to associates	<u>3,807</u>	<u>3,507</u>
Due to a shareholder	<u>2,328</u>	<u>2,256</u>
Due to non-controlling interests of subsidiaries included in other payables	<u>5,849</u>	<u>7,259</u>
Due to related companies controlled by Peking University	<u><b>4,067</b></u>	<u>4,087</u>

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

	<b>Six months ended 30 June</b>	
	<b>2018</b>	2017
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Short term employee benefits	<b>1,597</b>	1,619
Post-employment benefits	<b>104</b>	30
	<b><u>1,701</u></b>	<u>1,649</u>

## 17. FINANCIAL GUARANTEE

As at 30 June 2018, the Group issued guarantees to several banks in respect of banking facilities granted to two associates.

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 granted by book amounted at RMB503,000,000 (31 December 2017: RMB503,000,000).

## 18. CAPITAL COMMITMENTS

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

	<b>30 June</b>	31 December
	<b>2018</b>	2017
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Contracted but not provided for		
Property, plant and equipment	<b>8,901</b>	19,801
Unpaid balance of capital contribution to associates and joint ventures	<b><u>89,312</u></b>	<u>127,693</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overall performance**

The Company, through its subsidiaries, is principally engaged in research, development, manufacture, marketing, contract work and sale of electronic fire equipment, development of travel and leisure businesses as well as investment holding.

During the period under review, the Group's turnover rose 20.0% year-on-year to approximately RMB772.9 million (2017: RMB643.9 million), benefiting from active efforts in developing the Group's manufacture and sale of electronic fire equipment and tourism development businesses. The Group maintained a steady gross profit margin of 46% (2017: 47%). Gross profit reached approximately RMB352.9 million (2017: RMB301.8 million), representing an increase of 16.9%, as a result of the increase in turnover and having a stable gross profit ratio. The Group's total operating expenses, including distribution costs, administrative expenses and other expenses, were increased by 19.2% to approximately RMB179.3 million (2017: RMB150.4 million), following to the continued growth of the Group's main businesses, in particular the increase in research and development costs to maintain the Group's competitiveness and advantages. During the reporting period, the Group's associate recognized income from its property development project in the PRC, which led to the increase in the Group's share of profits of associates to approximately RMB45.7 million (2017: RMB6.5 million). Together with continuing satisfactory performance of the Group's core businesses and increase in share of profits of associates, profit attributable to owners of the Company increased 85.0% year-on-year to approximately RMB119.3 million (2017: RMB64.5 million).

### **Manufacture and sale of electronic fire equipment**

The Group focused on research, development, manufacture, marketing and sale of comprehensive and integrated fire safety solution, including fire automatic alarm and control linkage system, electrical fire monitoring system, automatic gas fire extinguishing system and gas detection monitoring system. The Group mainly distributes its fire safety products through dealers across the region in the PRC. Its main production facilities are located in Hebei, Beijing and Sichuan, the PRC.

During the period, the Group's new series of fire safety products were officially sent for inspection and certification, which would further enrich the Group's product portfolio. The Group also convened promotional meetings and annual conference to establish effective communication channels, maintain solid relationship with dealers and customers across the region, and get valuable market information for development of the Group's sales policies.

Turnover from manufacture and sale of electronic fire equipment of approximately RMB704.6 million was recorded for the six months ended 30 June 2018 (2017: RMB584.9 million), which was increased by 20.5% year-on-year. The continuous growth in the manufacture and sale of electronic fire equipment business was mainly due to brand loyalty and advantages and industry recognition of the Group's fire safety solutions with excellent quality and after-sales services, and additions of new production lines and advanced equipment enabling the Group's production capacity.

### **Tourism development**

The Group is the environmental shuttle bus operator in Hengshan Mountain scenic area, the PRC. The Group is also engaged in provision of property management services and operation of tourist service center and tourist souvenir shops in the scenic area. The Group's associates took part 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 from tourists and pilgrims continued to be the main source of income of the Group's tourism development business. During the period under review, the number of visitors at Hengshan Mountain scenic area taking the environmental bus with full-priced ticket recorded stable growth of 15.7% year-on-year to approximately 0.82 million, while the service utilisation rate of the Group's environmental bus service achieved at higher level of 91%.

The Group's tourism development business recorded steady turnover of RMB63.8 million during the six months ended 30 June 2018 (2017: RMB53.9 million), representing an increase of 18.4% year-on-year. Such increase was mainly attributable to the increase in number of passengers during the period.

## **Investment holding**

As at 30 June 2018, 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, IT development and solution business, air transport agency, provision of technical consultancy services and semiconductor industry chain projects etc.), the equity interests in listed companies in Hong Kong, the equity interest in a private enterprise in the PRC which is principally engaged in manufacture and sale of light-emitting diode related products, and co-production of films and television dramas in the PRC. During the period, the Group did not effect any material additional investments. This segment total assets increased from approximately RMB1,061.1 million as at 31 December 2017 to approximately RMB1,139.3 million as at 30 June 2018, representing an increase of 7.4%.

## **Outlook**

Looking ahead, the Group's manufacture and sale of electronic fire equipment business will primarily focus on increasing support to the dealers through active visits and cooperation and strengthening marketing and promotion. The Group will also give priority to technical innovation and training for R&D talents and invest in production equipment with high technology in order to meet the repaid development of R&D needs. Having obtained international certifications for fire safety products, the Group will implement its international strategic development plan in the North America.

The number of tourists and pilgrims is expected to increase during the major religious festival in August and the third quarter of each year is the peak season of tourism in Hengshan Mountain scenic area. The Group's tourism development business will continue to be benefited from the booming tourism industry of the PRC.

The Group targets to diversify its business and investment portfolio in order to achieve continuous business growth. The Group will continue to seek new promising investment opportunities in the market to broaden its income sources and increase profitability.

## Disclosure under Rule 17.24 of the GEM Listing Rules

As at 30 June 2018, the aggregate amount of financial assistance provided by the Group to its affiliated companies, including (i) shareholder's loan provided to an affiliated company; and (ii) guarantees provided by the Group in relation to bank facilities of its affiliated companies is RMB536,400,000 in total, which exceeds 8% in the asset ratio as defined under Rules 19.07(1) of the GEM Listing Rules. Details on the financial assistance and guarantee as at 30 June 2018 are set out below:

<b>Name of affiliated company</b>	<b>Aggregate amount of financial assistance and guarantee RMB'000</b>
Changsha Songya Lake Construction Investment Co., Ltd. ("Songya Lake Construction")	346,400 <i>(note 1)</i>
Chuanqi (Hunan) Enterprise Development Co., Ltd. ("Chuanqi Enterprise")	190,000 <i>(note 2)</i>
	<hr style="width: 20%; margin-left: auto; margin-right: 0;"/>
	<b>536,400</b>

### Notes:

1. The amount includes (i) a guarantee of RMB200,000,000 to Bank A and Bank B by the Company; (ii) a guarantee of RMB113,000,000 to Bank C by Chuanqi Tourism Investment Co., Ltd. ("Chuanqi Tourism"), a non-wholly owned subsidiary of the Company; and (iii) an interest-free and unsecured shareholder's loan of RMB33,400,000 from Chuanqi Tourism to Songya Lake Construction. The total amount of the facilities from Bank A and Bank B to Songya Lake Construction is RMB786,000,000 and the total amount of the facilities from Bank C to Songya Lake Construction is RMB800,000,000.
2. The amount includes a guarantee of RMB190,000,000 to a bank by Chuanqi Tourism. The total amount of the facilities from the bank to Chuanqi Enterprise is RMB190,000,000.

The unaudited combined statement of financial position of the above affiliated companies and the Group's attributable interests in the above affiliated companies based on its unaudited consolidated financial statements for the period ended 30 June 2018 prepared in accordance with the generally accepted accounting principles in the PRC, adjusted for any differences in accounting policies, are presented below:

	<b>Combined statement of financial position RMB'000</b>	<b>Group's attributable interests RMB'000</b>
Assets	3,127,869	880,297
Liabilities	<u>(2,748,900)</u>	<u>(770,948)</u>
Net assets	<u>378,969</u>	<u>109,349</u>

#### **Material acquisitions and disposals of subsidiaries and affiliated companies**

Saved as disclosed herein this section, during the six months ended 30 June 2018, 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 2018, 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 30 June 2018, the Group had cash and bank balances of approximately RMB497.5 million, which were denominated mainly in Renminbi ("RMB"), Hong Kong dollars ("HK\$"), US dollars ("USD") and Canadian dollars ("CAD").

As at 30 June 2018, the Group had net assets of approximately RMB2,670.6 million. The Group had total outstanding borrowings of approximately RMB225.6 million consisted of secured bank loans of approximately RMB210.6 million and unsecured bank loans of RMB15.0 million. The bank loans were denominated in RMB and USD and bore interest rates ranging from 4.35% per annum to 5.66% per annum.



As at 30 June 2018, the Company's outstanding number of issued promoters 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 11 July 2016, approximately 90% of the net proceeds from the placing would be applied to explore acquisition opportunities and development of new businesses; and approximately 10% of the net proceeds from the placing would be used to repay existing indebtedness and supplement working capital of the Group. Details of the above was disclosed in the announcements of the Company dated 17 June 2016, 11 July 2016 and 1 December 2017. As at 30 June 2018, approximately RMB74.5 million was used for acquisition of equity interests in associate and subsidiary, capital contribution to associate and payments for investments; approximately RMB8.2 million was applied as working capital of the Group. All the net proceeds from the placing have been fully utilised.

In respect of the placing completed on 6 February 2017 and following the change of use of proceeds on 29 March 2018, approximately 88% of net proceeds from the placing would be applied to potential acquisitions and/or development of new businesses; and approximately 12% of the net proceeds from the placing would be applied as working capital of the Group. Details of the above were disclosed in the announcements of the Company dated 11 January 2017, 6 February 2017, 1 December 2017 and 29 March 2018. As at 30 June 2018, approximately RMB103.9 million was applied to capital contribution to associates and investment of the Company and payments for investments of the Group; approximately RMB6.8 million was applied as working capital of the Group; and the remaining balance of approximately HK\$8.3 million (equivalent to approximately RMB7.0 million) was deposited in bank.

The gearing ratio of the Group as at 30 June 2018, which is measured by total interest-bearing debts to total equity, was 8.4% (31 December 2017: 8.9%). There was no significant change in gearing ratio during the period.

### **Significant investments held**

As at 30 June 2018, the Group held available-for-sale financial assets of approximately RMB221.0 million, representing 6.6% of the total assets of the Group, which mainly comprised of:

- (i) 17.5% equity interest in Enraytek Optoelectronics (Shanghai) Co., Ltd. ("Enraytek Optoelectronics") with investment cost of approximately RMB113.5 million at fair value of approximately RMB117.9 million, representing 3.5% of the total assets of the Group as at 30 June 2018. Enraytek Optoelectronics is an unlisted private enterprise established in the PRC and is principally engaged in LED and related industrial chain design, development and manufacturing. There is no significant change in fair value for the period;

- (ii) 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 RMB66.5 million, representing 2.0% of the total assets of the Group as at 30 June 2018. 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 is no significant change in fair value for the period; and
- (iii) 3,916,340 ordinary shares of Semiconductor Manufacturing International Corporation (“SMIC”) with investment cost of approximately RMB31.2 million at fair value of approximately RMB33.7 million, representing 1.0% of the total assets of the Group as at 30 June 2018. SMIC is a Hong Kong listed company with stock code 00981 and is principally engaged in the manufacture and trading of semiconductor products. There is a decrease in fair value of approximately RMB10.6 million included in other comprehensive income for the period.

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 LED and semiconductor industries and expected that the Group’s investments will be benefited in the long run. In addition, the Group will continue exploring investment opportunities to diversify investment business portfolio as well as broaden its income source.

#### **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 2018.

#### **Contingent liabilities**

The Group had contingent liabilities in the sum of approximately RMB503 million in respect of guarantee for banking facilities granted to associates of the Company.

In 2011, a subsidiary of the Company received an assessment demanding final tax for the year of assessment 2004/2005 from The Hong Kong Inland Revenue Department (the “IRD”). The amount of this assessment was approximately HK\$47,852,000 (equivalent to RMB40,344,000) in which approximately HK\$47,748,000 (equivalent to RMB40,256,000) relating to a claim for gain on disposal of long term investment recognised during the year ended 31 December 2004. On 25 February 2013, the IRD issued a notice to the subsidiary informing that the case has been forwarded to the Appeals Section of the IRD for further processing. The outcome of the tax claim cannot be readily ascertained up to the date of this report. Should the assessment regarding the claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK\$47,748,000 (equivalent to RMB40,256,000) will be recognised.

Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 30 June 2018.

### **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 2018, the Group's certain fixed assets with carrying amount of approximately RMB119.3 million (31 December 2017: RMB123.4 million) and bank deposit of approximately RMB5.0 million (31 December 2017:Nil) were pledged as securities for the Group's bank loans.

### **Employees and remuneration policy**

The Group considers people as the valuable assets. The Directors are of the view that the Group maintains good working relations with its employees. The Group had stable workforce of 2,458 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year, up 6.9% since the end of 2017. 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 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 RMB113.4 million for the six months ended 30 June 2018 (2017: RMB100.3 million).

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

As at 30 June 2018, the interests (including interests in shares and short positions) of Directors, supervisors (the "Supervisors"), and chief executives of the Company in the shares (the "Shares") and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules, were as follows:

### **Long positions in ordinary shares and underlying shares of the Company**

Name	Capacity	Number of 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
		Interests in Shares (Note)	Interests in H Shares	Total			
Director							
Mr. Zhang Wanzhong	Beneficial owner and beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	14.90%
Supervisor							
Ms. Zhou Min	Beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	14.90%

*Note:*

The above Director and Supervisor are taken to be interested in the issued share capital of the Company through their respective interests as beneficiaries, among other beneficiaries, of Heng Huat trust (“Heng Huat Trust”). By a declaration of Heng Huat Trust made as a deed on 19 July 2000, Mr. 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 2018.

## **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 2018, 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	<i>Note</i>	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	<i>(a)</i>	Through controlled corporations	200,000,000	28.57%	14.50%
2. Beida Asset Management Co., Ltd.	<i>(a)</i>	Through controlled corporations	200,000,000	28.57%	14.50%
3. Beijing Beida Jade Bird Software System Co., Ltd.	<i>(a)</i>	Through controlled corporations	200,000,000	28.57%	14.50%
4. Beijing Beida Jade Bird Limited	<i>(a)</i>	Directly beneficially owned	115,000,000	16.43%	8.34%
5. Beida Microelectronics Investment Limited	<i>(a)</i>	Through controlled corporations	85,000,000	12.14%	6.16%
6. Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd	<i>(a)</i>	Through a controlled corporation	85,000,000	12.14%	6.16%
7. Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd	<i>(a)</i>	Directly beneficially owned	85,000,000	12.14%	6.16%

Name of shareholder	Note	Capacity	Number of Shares held	Approximate percentage of the Company's total number of issued promoters Shares	Approximate percentage of the Company's total issued share capital
8. Grand East (H.K.) Limited		Directly beneficially owned	110,000,000	15.71%	7.98%
9. Heng Huat Investments Limited	(b)	Through a controlled corporation	205,414,000	29.34%	14.90%
10. Dynamic Win Assets Limited	(b)	Directly beneficially owned	205,414,000	29.34%	14.90%
11. Mongolia Energy Corporation Limited	(c)	Through a controlled corporation	84,586,000	12.08%	6.13%
12. New View Venture Limited	(c)	Directly beneficially owned	84,586,000	12.08%	6.13%
13. Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	3.63%

*Notes:*

- (a) Peking University is taken to be interested in 14.50% of the total issued share capital of the Company through the following companies:
- (i) 115 million promoters Shares (representing approximately 8.34% of the Company's total issued share capital) held by Beida Jade Bird, which is 46% beneficially owned by Jade Bird Software. Jade Bird Software is 48% beneficially owned by Beida Asset Management Co., Ltd., a wholly owned subsidiary of Peking University;
  - (ii) 85 million promoters Shares (representing approximately 6.16% of the Company's total issued share capital) in which Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd. ("Haikou Jade Bird") is interested. Jade Bird Software owns 100% equity interest in Beida Microelectronics Investment Limited which in turn owns 46% equity interest in Sanya Jade Bird Youfu Jidi Construction Service Co., Ltd which in turn owns 100% equity interest in Haikou Jade Bird; and
  - (iii) Mr. Zhang Wanzhong is a supervisor of Beida Jade Bird.

- (b) The promoters Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat. Please refer to the note to the section “Directors, Supervisors’ and chief executives’ interests and short positions in shares and underlying shares” above for further details of Heng Huat.
- (c) The promoters Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.

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 2018.

### **COMPETING INTERESTS**

As at 30 June 2018, 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 2018.

### **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 2018.

### **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 2018.



## AUDIT COMMITTEE

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

The Audit Committee currently comprises four independent non-executive Directors, namely Mr. Shao Jiulin, Mr. Li Juncai, Mr. Li Chonghua and Mr. Shen Wei. Mr. Shao Jiulin is the chairman of the Audit Committee. The Audit Committee had held a meeting to review the Group's second quarterly results report for the six months ended 30 June 2018 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, 7 August 2018

*As at the date of this announcement, Mr. Ni Jinlei, Mr. Zhang Wanzhong and Ms. Zheng Zhong are executive Directors, Ms. Xue Li, Mr. Xiang Lei and Mr. Ip Wing Wai are non-executive Directors and Mr. Shao Jiulin, Mr. Li Juncai, Mr. Li Chonghua and Mr. Shen Wei are independent non-executive Directors.*

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