



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 2022**

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

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

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

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 2022 together with the unaudited comparative figures for the corresponding period in 2021 as follows:

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

For the six months ended 30 June 2022

		Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	3	30,240	106,375	84,548	202,526
Cost of sales and services		(23,328)	(86,447)	(74,220)	(167,816)
Gross profit		6,912	19,928	10,328	34,710
Other gains and income	4	4,520	4,275	8,344	7,891
Distribution costs		(638)	(1,120)	(789)	(1,876)
Administrative expenses		(15,147)	(14,726)	(27,678)	(29,250)
Other expenses		(1,223)	–	(1,574)	(1)
(Loss)/profit from operations		(5,576)	8,357	(11,369)	11,474
Finance costs	6	(7,270)	(7,628)	(13,741)	(11,830)
Share of profits of associates		65,160	56,061	89,442	74,211
Share of (losses)/profits of joint ventures		–	(12)	(27)	110
Profit before tax		52,314	56,778	64,305	73,965
Income tax expense	7	67	(1,187)	89	(2,737)
Profit for the period	8	52,381	55,591	64,394	71,228

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Other comprehensive income after tax:				
<i>Items that will not be reclassified to profit or loss:</i>				
Fair value changes of financial assets at fair value through other comprehensive income (“FVTOCI”)	10,817	(4,394)	7,073	1,835
Share of other comprehensive income of associates	(308)	(392)	(3,477)	(1,292)
Share of other comprehensive income of joint ventures	—	—	—	(11)
	<u>10,509</u>	<u>(4,786)</u>	<u>3,596</u>	<u>532</u>
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	1,255	(1,957)	(213)	(1,888)
	<u>1,255</u>	<u>(1,957)</u>	<u>(213)</u>	<u>(1,888)</u>
Other comprehensive income for the period, net of tax	<u>11,764</u>	<u>(6,743)</u>	<u>3,383</u>	<u>(1,356)</u>
Total comprehensive income for the period	<u><u>64,145</u></u>	<u><u>48,848</u></u>	<u><u>67,777</u></u>	<u><u>69,872</u></u>
Profit/(Loss) for the period attributable to:				
Owners of the Company	55,393	55,247	71,024	71,418
Non-controlling interests	(3,012)	344	(6,630)	(190)
	<u><u>52,381</u></u>	<u><u>55,591</u></u>	<u><u>64,394</u></u>	<u><u>71,228</u></u>

		Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
<i>Note</i>		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total comprehensive income for the period attributable to:					
	Owners of the Company	67,054	48,545	74,312	70,086
	Non-controlling interests	(2,909)	303	(6,535)	(214)
		64,145	48,848	67,777	69,872
		<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Earnings per share					
	Basic and diluted (cents per share)	3.66	3.65	4.69	4.93

Condensed Consolidated Statement of Financial Position

At 30 June 2022

		30 June 2022	31 December 2021
		(Unaudited)	(Audited)
	<i>Notes</i>	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	11	409,046	371,307
Investment properties		200,847	199,058
Goodwill		34,800	204
Other intangible assets		21,554	797
Biological assets		1,012	961
Investments in associates		2,985,594	2,790,299
Investments in joint ventures		3,092	2,964
Investments in film productions		3,500	3,500
Financial assets at FVTOCI		259,686	300,677
Deposits for purchase of property, plant and equipment		8,507	8,104
Deposits for potential investments		–	105,000
Deferred tax assets		6,215	6,186
		3,933,853	3,789,057
Current assets			
Inventories		22,841	5,689
Trade and other receivables	12	312,973	381,182
Pledged bank deposits		4	1,002
Cash and cash equivalents		123,126	99,933
		458,944	487,806
Total assets		4,392,797	4,276,863
Current liabilities			
Trade and other payables	13	176,171	134,612
Bank and other loans		493,392	613,875
Lease liabilities		3,577	1,960
Current tax liabilities		9,467	9,462
		682,607	759,909
Net current liabilities		(223,663)	(272,103)
Total assets less current liabilities		3,710,190	3,516,954

		30 June 2022 (Unaudited) RMB'000	31 December 2021 (Audited) RMB'000
Non-current liabilities			
Bank and other loans		182,000	88,000
Lease liabilities		72,736	64,558
Deferred tax liabilities		26,662	15,853
		<u>281,398</u>	<u>168,411</u>
NET ASSETS		<u>3,428,792</u>	<u>3,348,543</u>
Equity			
Share capital	<i>14</i>	151,446	151,446
Reserves		3,097,813	3,023,501
		<u>3,249,259</u>	<u>3,174,947</u>
Equity attributable to owners of the Company		3,249,259	3,174,947
Non-controlling interests		179,533	173,596
		<u>3,428,792</u>	<u>3,348,543</u>
TOTAL EQUITY		<u>3,428,792</u>	<u>3,348,543</u>

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2022

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Financial assets at FVTOCI reserve	Other reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021	137,872	562,519	107,494	(42,766)	(159,121)	5,694	2,344,002	2,955,694	149,142	3,104,836
Issue of shares	13,574	43,288	-	-	-	-	-	56,862	-	56,862
Total comprehensive income for the period	-	-	-	(4,486)	3,154	-	71,418	70,086	(214)	69,872
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	34,353	34,353
Appropriation of safety production fund	-	-	-	-	-	(438)	438	-	-	-
Share of transfer of gain on disposal of financial assets at FVTOCI in investments in associates	-	-	-	-	(2,250)	-	2,250	-	-	-
Changes in equity for the period	13,574	43,288	-	(4,486)	904	(438)	74,106	126,948	34,139	161,087
At 30 June 2021	<u>151,446</u>	<u>605,807</u>	<u>107,494</u>	<u>(47,252)</u>	<u>(158,217)</u>	<u>5,256</u>	<u>2,418,108</u>	<u>3,082,642</u>	<u>183,281</u>	<u>3,265,923</u>
At 1 January 2022	151,446	605,810	107,494	(61,555)	(139,706)	5,543	2,505,915	3,174,947	173,596	3,348,543
Total comprehensive income for the period	-	-	-	(3,785)	7,073	-	71,024	74,312	(6,535)	67,777
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	12,472	12,472
Appropriation of safety production fund	-	-	-	-	-	(25)	25	-	-	-
Transfer of gain on disposal of financial assets at FVTOCI	-	-	-	-	(3,497)	-	3,497	-	-	-
Transfer upon reclassification from financial asset at FVTOCI to associate	-	-	-	-	10,776	-	(10,776)	-	-	-
Changes in equity for the period	-	-	-	(3,785)	14,352	(25)	63,770	74,312	5,937	80,249
At 30 June 2022	<u>151,446</u>	<u>605,810</u>	<u>107,494</u>	<u>(65,340)</u>	<u>(125,354)</u>	<u>5,518</u>	<u>2,569,685</u>	<u>3,249,259</u>	<u>179,533</u>	<u>3,428,792</u>

Condensed Consolidated Statement of Cash Flows (Unaudited)*For the six months ended 30 June 2022*

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from operating activities	99,272	3,622
Net cash used in investing activities	(38,937)	(73,976)
Net cash (used in)/generated from financing activities	(34,476)	105,864
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,859	35,510
Effect of foreign exchange rate changes	(2,666)	232
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	99,933	118,020
CASH AND CASH EQUIVALENTS AT END OF PERIOD	123,126	153,762

Note:

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") as a sino-foreign joint stock limited liability company. The Company's H shares are listed on GEM. The address of its registered office is 3rd Floor, Beida Jade Bird Building, Yanyuan District Area 3, No. 5 Haidian Road, Haidian District, Beijing 100080, the PRC. The addresses of its principal place of business in the PRC and Hong Kong are 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC and 17th Floor, V Heun Building, 138 Queen's Road Central, Central, Hong Kong respectively.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are the development of travel and leisure business, investment holding, production and sales of wine and related products and sales and purchases of metallic 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 (the "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 2022. 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 2022. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

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

The accounting policies adopted in preparing these unaudited 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 2021. These condensed consolidated financial statements should be read in conjunction with these mentioned audited financial statements.

3. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the period is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15				
Disaggregated by major products or service lines				
– Rendering of travel and leisure services	15,613	30,969	27,278	53,328
– Sales of wine and related products	2,610	2,892	4,692	5,103
– Sales of metallic products	–	72,514	40,561	144,095
– Sales of LED devices	12,017	–	12,017	–
	<u>30,240</u>	<u>106,375</u>	<u>84,548</u>	<u>202,526</u>

The Group derives all revenue from the transfer of goods and services at a point in time except for the revenue from certain travel and leisure services which are recognised at over the time.

4. OTHER GAINS AND INCOME

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	353	605	644	834
Government grants	125	–	760	–
Financial guarantee income	2,385	2,385	4,743	4,743
Tax incentives	882	728	882	1,260
Gain on bargain purchase of a subsidiary	–	2	–	2
Others	775	555	1,315	1,052
	<u>4,520</u>	<u>4,275</u>	<u>8,344</u>	<u>7,891</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 five reportable segments, which were managed separately based on their business nature:

Tourism development	–	development of travel and leisure business
Investment holding	–	holding of fund, debt and equity investment, including management fee income
Trading of metallic products	–	sales and purchases of metallic products
Sales and production of LED devices	–	development, manufacture and sale of high-end ceramic high-power LED devices and modules
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. Segment non-current assets do not include financial assets at FVTOCI and deferred tax assets.

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

Information about operating segment profit or loss:

	Tourism development RMB'000	Investment holding RMB'000	Trading of metallic products RMB'000	Sales and production of LED devices RMB'000	All other segments RMB'000	Total RMB'000
Six months ended 30 June 2022						
Revenue from external customers	27,278	–	40,561	12,017	4,692	84,548
Segment profit/(loss)	2,104	86,982	522	(3,901)	(160)	85,547
Interest income						644
Finance costs						(13,741)
Unallocated corporate expenses						(8,145)
Profit before tax						64,305
Other segment information:						
Depreciation and amortisation	7,028	3	–	1,385	388	8,804
Share of profits of associates	–	89,442	–	–	–	89,442
Share of losses of joint ventures	–	(27)	–	–	–	(27)
Six months ended 30 June 2021						
Revenue from external customers	53,328	–	144,095	–	5,103	202,526
Segment profit	17,447	72,910	3,057	–	427	93,841
Interest income						834
Finance costs						(11,830)
Unallocated corporate expenses						(8,880)
Profit before tax						73,965
Other segment information:						
Depreciation and amortisation	5,435	4	–	–	405	5,844
Share of (losses)/profits of associates	(875)	75,086	–	–	–	74,211
Share of profits of joint ventures	–	110	–	–	–	110

Information about operating segment assets:

	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	Trade of metallic products <i>RMB'000</i>	Sales and production of LED devices <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
At 30 June 2022						
Segment assets	<u>860,663</u>	<u>3,220,962</u>	<u>50,949</u>	<u>129,134</u>	<u>23,423</u>	<u>4,285,131</u>
Unallocated corporate assets						
Property, plant and equipment						5,507
Cash and cash equivalents						70,354
Others						<u>31,805</u>
						<u>107,666</u>
Total assets						<u><u>4,392,797</u></u>
Segment assets including:						
Investments in associates	64,464	2,921,130	-	-	-	2,985,594
Investments in joint ventures	-	3,092	-	-	-	3,092
Additions to non-current assets	<u>7,682</u>	<u>-</u>	<u>-</u>	<u>1,291</u>	<u>-</u>	<u>8,973</u>
At 31 December 2021						
Segment assets	<u>865,112</u>	<u>3,172,867</u>	<u>158,380</u>	<u>-</u>	<u>21,461</u>	<u>4,217,820</u>
Unallocated corporate assets						
Property, plant and equipment						5,717
Cash and cash equivalents						21,558
Others						<u>31,768</u>
						<u>59,043</u>
Total assets						<u><u>4,276,863</u></u>
Segment assets including:						
Investments in associates	64,464	2,725,835	-	-	-	2,790,299
Investments in joint ventures	-	2,964	-	-	-	2,964
Additions to non-current assets	<u>350,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>604</u>	<u>350,800</u>

Geographical information:

	Revenue		Non-current assets	
	Six months ended	30 June	30 June	31 December
	2022	2021	2022	2022
	RMB'000	RMB'000	RMB'000	RMB'000
PRC except Hong Kong	79,856	197,423	3,650,888	3,465,601
The United States	4,692	5,103	17,064	16,593
	<u>84,548</u>	<u>202,526</u>	<u>3,667,952</u>	<u>3,482,194</u>

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

Revenue from each of the major customers, which amounted to 10% or more of the Group's revenue is set out below:

	Six months ended	
	30 June	30 June
	2022	2021
	RMB'000	RMB'000
Customer A*	N/A	36,872
Customer B*	N/A	36,370
Customer C*	N/A	35,642
Customer D*	N/A	35,211
Customer E*	40,561	N/A
	<u>40,561</u>	<u>144,095</u>

* Revenue from one customer (2021: four) was derived by the segment engaging in trading of metallic products.

6. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on bank, other loans and lease liabilities	9,659	6,765	17,122	11,572
Net foreign exchange (gain)/losses	(2,389)	863	(3,381)	258
	<u>7,270</u>	<u>7,628</u>	<u>13,741</u>	<u>11,830</u>

7. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax				
Provision for the period				
PRC	(12)	1,164	21	2,712
The United States	1	23	2	25
	<u>(11)</u>	<u>1,187</u>	<u>23</u>	<u>2,737</u>
Deferred tax	(56)	–	(112)	–
	<u>(67)</u>	<u>1,187</u>	<u>(89)</u>	<u>2,737</u>

No provision for Hong Kong Profits Tax is required for the six months ended 30 June 2022 and 2021 since the Group had no assessable profit for both periods.

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

The subsidiaries of the Company established in the PRC are generally subject to income tax on their taxable income at a tax rate of 25% (2021: 25%).

8. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after charging the following:

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation of other intangible assets	108	52	202	86
Depreciation	5,081	3,025	8,813	6,003
	<u>5,189</u>	<u>3,077</u>	<u>9,015</u>	<u>6,089</u>

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 2022 is based on the profit for the period attributable to owners of the Company of RMB55,393,000 (2021: RMB55,247,000) and the weighted average number of ordinary shares of 1,514,464,000 (2021: 1,514,464,000) in issue during the period. No adjustment has been made to the basic earnings per share amounts presented for the three months ended 30 June 2022 and 2021. 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 2022 is based on the profit for the period attributable to owners of the Company of RMB71,024,000 (2021: RMB71,418,000) and the weighted average number of ordinary shares of 1,514,464,000 (2021: 1,448,466,917) in issue during the period. No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2022 and 2021. 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 2022 (2021: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group had additions to property, plant and equipment of approximately RMB8,570,000 and did not dispose of any property, plant and equipment.

12. TRADE AND OTHER RECEIVABLES

	30 June 2022 RMB'000	31 December 2021 RMB'000
Trade and bills receivables	25,516	90,051
Less: allowance for doubtful debts	—	—
	<u>25,516</u>	<u>90,051</u>
Advances to staff	5,124	4,726
Deposits	2,624	2,782
Due from associates	26,060	26,000
Due from shareholders	236	217
Due from a related party	27	27
Loans and interest receivables	51,260	51,260
Other receivables	237,492	243,931
Less: allowance for doubtful debts	(71,088)	(71,092)
	<u>251,735</u>	<u>257,851</u>
Advances to suppliers	1,398	15,642
Prepayments	34,324	17,638
	<u>312,973</u>	<u>381,182</u>

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 was generally 3 months, starting from the date on which the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional. 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 number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

The ageing analysis of trade and bill receivables, based on the date on which the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional, was as follows:

	30 June 2022 RMB'000	31 December 2021 RMB'000
0 to 90 days	12,088	90,051
91 to 180 days	13,384	—
Over 365 days	44	—
	<u>25,516</u>	<u>90,051</u>

13. TRADE AND OTHER PAYABLES

	30 June 2022 RMB'000	31 December 2021 RMB'000
Trade payables	61,743	53,951
Accruals and other payables	70,914	51,881
Salaries and staff welfare payables	17,658	14,843
Due to associates	5,971	8,055
Due to related parties	19,885	5,882
	<u>176,171</u>	<u>134,612</u>

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	30 June 2022 RMB'000	31 December 2021 RMB'000
0 to 90 days	11,879	47,103
91 to 180 days	250	804
181 to 365 days	42,554	6,044
Over 365 days	7,060	–
	<u>61,743</u>	<u>53,951</u>

14. SHARE CAPITAL

	Number of shares			Amount		
	Non-listed shares '000	H shares '000	Total '000	Non-listed shares RMB'000	H shares RMB'000	Total RMB'000
Registered, issued and fully paid:						
Shares of RMB0.10 each						
At 1 January 2022 and at 30 June 2022	<u>700,000</u>	<u>814,660</u>	<u>1,514,460</u>	<u>70,000</u>	<u>81,446</u>	<u>151,446</u>

15. ACQUISITION OF SUBSIDIARIES

- (a) In April 2022, the Company acquired a 80% equity interest in Guangdong Lumen Pioneer Opto Co., Ltd. (“Guangdong Lumen”) at a consideration of RMB84,486,160 from an independent third party of the Company. Guangdong Lumen became a direct non-wholly owned subsidiary of the Company. Guangdong Lumen is principally engaged in the development, manufacture and sale of high-end ceramic high-power LED devices and modules, and the research and development and manufacturing of special light sources.

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

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	37,176
Other intangible assets	20,955
Inventories	19,970
Trade and other receivables	19,183
Cash and cash equivalents	1,300
Trade and other payables	(20,095)
Lease liabilities	(8,295)
Deferred tax liabilities	(7,832)
	<hr/>
	62,362
Non-controlling interests	(12,472)
Goodwill	34,596
	<hr/>
Total consideration – satisfied by cash	<u>84,486</u>

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

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

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	134,396
Deposit for purchase of property, plant and equipment	9,722
Inventories	107,584
Trade and other receivables	14,979
Cash and cash equivalents	694
Trade and other payables	(54,838)
Bank and other loans	<u>(143,830)</u>
	68,707
Non-controlling interests	(34,353)
Fair value of investment in an associate, before the acquisition	(34,352)
Bargain purchase	<u>(2)</u>
Consideration – satisfied by cash	<u><u>–</u></u>

16. MATERIAL RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following balances with related parties included in the consolidated statement of financial position:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Due from associates	<u>26,060</u>	<u>26,000</u>
Due from shareholders	<u>236</u>	<u>217</u>
Due from a related company controlled by Peking University included in other receivables	<u>27</u>	<u>27</u>
Due to associates	<u>5,971</u>	<u>8,055</u>
Due to related companies controlled by Peking University	<u>5,885</u>	<u>5,882</u>
Due to a related company controlled by a director of a subsidiary of the Company	<u>14,000</u>	<u>–</u>

- (b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Short term employee benefits	<u>1,933</u>	<u>1,809</u>
Post-employment benefits	<u>170</u>	<u>125</u>
	<u>2,103</u>	<u>1,934</u>

17. FINANCIAL GUARANTEE

As at 30 June 2022, the Group issued guarantees to several banks in respect of banking facilities granted to two associates and a former associate, which was disposed of in 2020.

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 bank amounted RMB300,000,000 (31 December 2021: RMB300,000,000). The Group has not recognised any deferred income in respect of the financial guarantee as its fair value was considered insignificant.

18. CAPITAL COMMITMENTS

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

	30 June 2022 RMB'000	31 December 2021 RMB'000
Contracted but not provided for		
Property, plant and equipment	60,543	61,546
Unpaid balance of capital contribution to associates and joint ventures	94,052	89,582
	<u><u> </u></u>	<u><u> </u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

The Group is principally engaged in tourism development business, investment holding of diversified portfolios and other businesses including sales of metallic products and wine and related products. During the period, the Group acquired 80% equity interest in Guangdong Lumen, which is principally engaged in sales and production of high-end ceramic high-power LED devices and modules, further details of which were set out in the section headed “Sales and production of LED devices” below.

During the period under review, the business and financial performance of the Group, in particular, the tourism development business, were affected as a result of the frequent outbreaks of the novel coronavirus pneumonia (“COVID-19”) epidemic (the “Epidemic”) in the PRC. For the six months ended 30 June 2022, total revenue recorded by the Group amounted to approximately RMB84.5 million (2021: RMB202.5 million), representing a decrease of 58.3% compared with the corresponding period of 2021. The gross profit was decreased by 70.2% to approximately RMB10.3 million (2021: RMB34.7 million); and the Group recorded a loss from operations of approximately RMB11.4 million as compared with a profit from operations of approximately RMB11.5 million for the corresponding period in 2021. Such decrease in total revenue and profit from operations was mainly attributable to the decrease in fare revenue of the environmental shuttle bus service generated by the Group’s tourism development business as a result of the Epidemic during the first half of 2022, and the decrease in orders entered into by the Group’s trading of metallic products business. During the reporting period, the continued expansion in the businesses of the Group’s associates led to the increase in the Group’s share of profit of associates to approximately RMB89.4 million (2021: RMB74.2 million). The Group recorded a slight decrease in profit attributable to owners of the Company by 0.6% to approximately RMB71.0 million for the six months ended 30 June 2022 (2021: RMB71.4 million), despite of the loss from operations, mainly because of the increase in the Group’s share of profit of associates during the reporting period.

Tourism development

The Company, through its subsidiaries and associates, is engaged in provision of environmental shuttle bus service and property management services, and operation of tourist facilities, entertainment performance, tourist service center and tourist souvenir shops in the tourist area at Nanyue District, Hunan Province, the PRC; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzi Mountain.

Due to the frequent outbreaks of the Epidemic and the policies and measures implemented by the government of the PRC to deter the Epidemic in the PRC, the number of tourists and pilgrims visiting Hengshan Mountain scenic area was decreased by about 45.7% for the six months ended 30 June 2022. During the period, fare revenue from tourists and pilgrims continued to be the main source of income of the Group’s tourism development business. For the six months ended 30 June 2022, the Group’s tourism development business recorded revenue of approximately RMB27.3 million (2021: RMB53.3 million), representing a decrease by 48.8% when compared with the corresponding period of 2021.

Investment holding

As at 30 June 2022, the Group's investment holding business mainly included investments in a subsidiary, the associates and joint ventures which are private equity funds with equity investments in private enterprises and property projects in the PRC, the investment in Jade Bird Fire Co., Ltd., a A share listed company in the PRC, and the investments in financial assets at FVTOCI including listed companies in Hong Kong and private companies in the PRC and Hong Kong.

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

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

The segment total assets of investment holding business increased slightly by 1.5% to approximately RMB3,221.0 million as at 30 June 2022 (31 December 2021: RMB3,172.9 million).

Trading of metallic products

During the period, the Group is engaged in sales and purchases of metallic products in the PRC. For the six months ended 30 June 2022, revenue generated from the Group's trading of metallic products business amounted to approximately RMB40.6 million (2021: RMB144.1 million), representing a decrease by 71.9% year-on-year. The decrease was mainly attributable to the decrease in orders entered into by the Group after considering the price fluctuation of the metallic products. The gross margin was 2.0% (2021: 2.2%) during the period.

Sales and production of LED devices

On 10 March 2022, the Company entered into (i) an equity transfer agreement with an independent third party and Guangdong Lumen for the acquisition of the 80% equity interest in Guangdong Lumen at the consideration of RMB84,486,160; and (ii) a repurchase agreement pursuant to which upon occurrence of certain repurchase events, Shanghai Shengjin Venture Capital Co., Ltd. (“Shanghai Shengjin”) may require the Company or Guangdong Lumen to repurchase the 20% equity interest in Guangdong Lumen owned by Shanghai Shengjin at the option price of RMB22 million plus interest of 10% per annum, if applicable. Upon the completion in April 2022, Guangdong Lumen became a direct non-wholly owned subsidiary of the Company and the financial results of Guangdong Lumen would be consolidated with the results of the Group. Revenue generated from Guangdong Lumen after the completion of acquisition amounted to approximately RMB12.0 million.

Guangdong Lumen is principally engaged in the development, manufacture and sale of high-end ceramic high-power LED devices and modules, focusing on the research and development and manufacturing of special light sources such as automotive, stage, curing, flash and plant growth. The products manufactured include car lamp series, mobile lighting series, color light series, etc.. The Board considered that the acquisition represented a good opportunity to expand the Group’s business into the development, manufacture and sale of high-end ceramic high-power LED devices and modules, in view of the promising future prospect of the market of the LED industries, which could further expand the source of the Group’s operating income and profit and could bring returns to the shareholders of the Company.

Other businesses

The Group operated a winery, namely The Winery at la Grange, at the State of Virginia, the United States, which owned a vineyard and is principally engaged in the production and sales of wine and related products. Revenue generated from the winery amounted to approximately RMB4.7 million (2021: RMB5.1 million), which remained stable.

Outlook

Looking ahead, the performance of the Group’s business, in particular, the tourism development business of the Group will still be affected in light of the evolving situation regarding the Epidemic.

The Group would closely monitor the performance of its main businesses and the existing investment portfolio held by the Group. The Group would only explore investment projects with promising development potential in a prudent manner and carefully assess investment opportunities in the market in order to create a better return for its shareholders. The Group will keep continuous attention on the development and situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

Material acquisitions and disposals of subsidiaries and affiliated companies

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

Liquidity, financial resources and capital structure

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

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

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

The gearing ratio of the Group as at 30 June 2022, which is measured by total loans and lease liabilities to total equity, was 21.9% (31 December 2021: 22.9%).

Significant investments held

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

- (i) 6.24% equity interest in Shanghai Xianyao Display Technology Co., Ltd. ("Shanghai Xianyao") with investment cost of RMB100.0 million at fair value of approximately RMB149.8 million, representing 3.4% of the total assets of the Group as at 30 June 2022. Shanghai Xianyao is principally engaged in the technical research and development of display devices, optical components and accessories and digital devices; and the wholesale distribution of digital components, optoelectronic products, display devices, projecting devices and lightening devices. There is no material change in fair value included in other comprehensive income for the period;
- (ii) 10.0% equity interest in Eta Shanghai with investment cost of RMB50.0 million at fair value of approximately RMB62.0 million, representing 1.4% of the total assets of the Group as at 30 June 2022. Eta Shanghai is principally engaged in the technical development, technical service, technical consultation and technical transfer of semiconductor and new material technology, and the sale of semiconductor materials and equipment. There is an increase in fair value of approximately RMB9.0 million included in other comprehensive income for the period; and
- (iii) 1,735,340 ordinary shares of Semiconductor Manufacturing International Corporation ("SMIC") with investment cost of approximately RMB13.2 million at fair value of approximately RMB27.0 million, representing 0.6% of the total assets of the Group as at 30 June 2022. SMIC is a Hong Kong listed company with stock code 00981 and is principally engaged in the manufacture and trading of semiconductor products. There is a decrease in fair value of approximately RMB0.7 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 market of display devices and optoelectronic products, as well as the semiconductor industries and expected that the Group's investments will be benefited in the long run. During the year under review, the fair value of the financial assets at FVTOCI fluctuated as a result of uncertainty of global economic environment. The Group will carefully assess investment opportunities in the market to diversify investment business portfolio in view of expected higher volatility ahead.

Future plans for material investments or capital assets

Saved as disclosed herein this section, the Group did not have any significant investment plans as at 30 June 2022.

Contingent liabilities

The Group had contingent liabilities in the sum of approximately RMB300 million in respect of guarantee for banking facilities granted to associates and a former associate of the Company.

Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 30 June 2022.

Foreign exchange exposure

The Group is exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, RMB, HK\$, Canadian dollars and Euro. The Group has not formulated a foreign currency hedging policy as turnover and most of the production costs are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group 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 2022, the Group's certain fixed assets with carrying amount of approximately RMB155.8 million (31 December 2021: RMB284.1 million), investment properties with carrying amount of approximately RMB200.8 million (31 December 2021: 199.1) and bank deposit of approximately RMB4,000 (31 December 2021: RMB1.0 million) were pledged as securities for the Group's bank and other 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 workforce of 587 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year, up 13% since the end of 2021. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds are contributed on a timely basis. The Group 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 RMB26.6 million for the six months ended 30 June 2022 (2021: RMB26.4 million), which remained stable.

USE OF PROCEEDS FROM PLACING UNDER GENERAL MANDATE

In respect of the placing completed on 30 March 2021, the Directors intended that approximately 80% of net proceeds from the placing would be applied to potential mergers and acquisitions and/or development of new businesses; and approximately 20% 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 17 March 2021 and 30 March 2021 (the “Announcements”).

The net proceeds applied up to 30 June 2022 and in accordance with the proposed applications set out in the Announcements are as follows:

	Net proceeds (RMB in million)		
	Available	Utilised	Unutilised
Potential mergers and acquisitions and/or development of new business	45.4	45.4	–
Working capital of the Group	11.4	9.0	2.4
	<u>56.8</u>	<u>54.4</u>	<u>2.4</u>

The balance of the unaudited net proceeds amounting to approximately RMB2.4 million was placed as deposits in banks, and the Group currently expects that the unaudited net proceeds will be used by December 2022.

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

As at 30 June 2022, 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 non-listed Shares held	Number of H Shares held	Approximate percentage of the issued non-listed Shares	Approximate percentage of the issued H Shares	Approximate percentage of the issued Shares
Supervisor						
Ms. Zhou Min	Beneficiary of trust	205,414,000	–	29.34%	–	13.56%
Non-executive Director						
Mr. Liu Ziyi	Beneficial owner	–	2,311,000	–	0.28%	0.15%

Note: The above Supervisor is taken to be interested in the issued share capital of the Company through her interest as beneficiary, among other beneficiaries, of Heng Huat trust (“Heng Huat Trust”). By a declaration of Heng Huat Trust made as a deed on 19 July 2000, the shares of Heng Huat Investments Limited (“Heng Huat”) were held as trustees for the benefits of over 300 employees of Beijing Beida Jade Bird Software System Co., Ltd., Beijing Beida Jade Bird Limited and Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd. and their respective subsidiaries and associated companies and the Company. Heng Huat is beneficially interested in the entire issued share capital of Dynamic Win Assets Limited (“Dynamic Win”), and is taken to be interested in 205,414,000 shares of the Company which Dynamic Win is interested.

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 2022.

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 2022, 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	Interest in non-listed Shares	Interest in H Shares	Approximate percentage of total number of issued non-listed Shares	Approximate percentage of total number of issued H Shares	Approximate percentage of total number of issued Shares
Peking University	(a)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Beida Asset Management Co., Ltd.	(a)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Beijing Beida Jade Bird Software System Co., Ltd.	(a)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Beida Microelectronics Investment Limited	(a)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Gifted Pillar Limited	(a)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Rainbow Mountain Holdings Limited	(a)	Interest of controlled corporation	200,000,000	–	28.57%	–	13.21%
Beijing Rainbow Mountain Sci-Tech Development Co., Ltd.	(a)	Beneficial owner	200,000,000	–	28.57%	–	13.21%
Grand East (H.K.) Limited		Beneficial owner	110,000,000	–	15.71%	–	7.26%
Heng Huat Investments Limited	(b)	Interest of controlled corporation	205,414,000	–	29.34%	–	13.56%
Dynamic Win Assets Limited	(b)	Beneficial owner	205,414,000	–	29.34%	–	13.56%

Name of shareholder	Note	Capacity	Interest in non-listed Shares	Interest in H Shares	Approximate	Approximate	Approximate
					percentage of total number of issued non-listed Shares	percentage of total number of issued H Shares	percentage of total number of issued Shares
Mongolia Energy Corporation Limited	(c)	Interest of controlled corporation	84,586,000	–	12.08%	–	5.58%
New View Venture Limited	(c)	Beneficial owner	84,586,000	–	12.08%	–	5.58%
Asian Technology Investment Company Limited		Beneficial owner	50,000,000	–	7.14%	–	3.30%
Allied Properties (H.K.) Limited	(d)	Interest of controlled corporation	–	38,117,000	–	4.68%	2.52%
Asia Development Capital Co. Ltd.	(e)	Interest of controlled corporation	–	126,225,000	–	15.50%	8.33%
Asia Investment Fund Co. Ltd.	(e)	Beneficial owner	–	126,225,000	–	15.50%	8.33%

Notes:

- (a) Peking University is taken to be interested in 13.21% of the total issued share capital of the Company through 200 million non-listed Shares (representing approximately 13.21% of the Company’s total issued share capital) in which Beijing Rainbow Mountain Sci-Tech Development Co., Ltd. (“Beijing Rainbow Mountain”) is interested. Peking University owns 100% equity interest in Beida Asset Management Co., Ltd. which in turn owns 48% equity interest in Beijing Beida Jade Bird Software System Co., Ltd. which in turn owns 100% equity interest in Beida Microelectronics Investment Limited which in turn owns 46% equity interest in Gifted Pillar Limited which in turn owns 100% equity interest in Rainbow Mountain Holdings Limited which in turn owns 100% equity interest in Beijing Rainbow Mountain.
- (b) The non-listed 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 non-listed Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.

- (d) The latest disclosure of interest notice filed by Allied Properties (H.K.) Limited has not taken into account the increase in the number of total issued H shares of the Company from 678,720,000 H shares to 814,464,000 H shares on 30 March 2021 due to the completion of placing of the new H shares of the Company. The percentage level of the deemed interest in the H shares of the Company through indirectly non-wholly owned subsidiary of Allied Property (H.K.) Limited was below 5% as at 30 June 2022.
- (e) The H Shares are held by Asia Investment Fund Co. Ltd., which is wholly-owned by Asia Development Capital Co. Ltd..
- (f) Mr. Ni Jinlei, an executive Director and Mr. Fan Yimin, a Supervisor are the directors of Beijing Beida Jade Bird Software System Co., Ltd..

Save as disclosed above, 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 2022.

COMPETING INTERESTS

As at 30 June 2022, 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 Part 2 of Appendix 15 of the GEM Listing Rules during the six months ended 30 June 2022.

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 2022.

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 2022.

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 three independent non-executive Directors, namely Mr. Tang Xuan, Mr. Li Chonghua and Mr. Shen Wei. Mr. Tang Xuan 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 2022 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, 8 August 2022

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

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