



北京北大青鳥環宇科技股份有限公司  
**BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED**  
*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 08095)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK  
EXCHANGE OF HONG KONG LIMITED**

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### THIRD QUARTERLY RESULTS (UNAUDITED)

The Board was delighted to announce the unaudited consolidated results of the Group for the nine months ended 30 September 2010 together with the unaudited comparative figures for the corresponding period in 2009 as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2010

	Note	Three months ended 30 September		Nine months ended 30 September	
		2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
<b>Turnover</b>	3	<b>94,960</b>	75,754	<b>191,675</b>	151,350
Cost of sales and services		<u>(48,464)</u>	<u>(38,712)</u>	<u>(99,728)</u>	<u>(88,302)</u>
<b>Gross profit</b>		<b>46,496</b>	37,042	<b>91,947</b>	63,048
Other gains and income	4	<b>2,280</b>	475	<b>60,446</b>	4,728
Distribution costs		<b>(3,495)</b>	(3,294)	<b>(10,557)</b>	(9,467)
Administrative expenses		<b>(12,063)</b>	(6,981)	<b>(34,051)</b>	(22,192)
Other operating expenses		<u>(2,615)</u>	<u>(1,411)</u>	<u>(6,773)</u>	<u>(3,255)</u>
<b>Profit from operations</b>		<b>30,603</b>	25,831	<b>101,012</b>	32,862
Finance costs	5	<b>(2,278)</b>	(241)	<b>(3,727)</b>	129
Share of losses of jointly controlled entities		<u>(969)</u>	<u>(1,330)</u>	<u>(3,456)</u>	<u>(3,453)</u>
<b>Profit before tax</b>		<b>27,356</b>	24,260	<b>93,829</b>	29,538
Income tax expense	6	<b>(6,893)</b>	(7,229)	<b>(11,161)</b>	(10,134)
<b>Profit for the period</b>		<u><b>20,463</b></u>	<u>17,031</u>	<u><b>82,668</b></u>	<u>19,404</u>
<b>Other comprehensive income after tax</b>					
Change in fair value of available-for-sale financial assets		<b>(7,217)</b>	(441)	<b>(12,489)</b>	44,825
Exchange differences on translating foreign operations		<b>(1,104)</b>	(15)	<b>(2,144)</b>	93
Income tax relating to change in fair value of available- for-sale financial assets		<u><b>698</b></u>	<u>(2,003)</u>	<u><b>698</b></u>	<u>(2,794)</u>
<b>Other comprehensive income for the period, net of tax</b>		<u><b>(7,623)</b></u>	<u>(2,459)</u>	<u><b>(13,935)</b></u>	<u>42,124</u>
<b>Total comprehensive income for the period</b>		<u><b>12,840</b></u>	<u>14,572</u>	<u><b>68,733</b></u>	<u>61,528</u>

	<b>Three months ended 30 September</b>		<b>Nine months ended 30 September</b>	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Profit for the period attributable to:</b>				
Owners of the Company	<b>9,826</b>	8,575	<b>64,665</b>	8,649
Non-controlling interests	<b>10,637</b>	8,456	<b>18,003</b>	10,755
	<b>20,463</b>	17,031	<b>82,668</b>	19,404
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	<b>(1,333)</b>	4,031	<b>51,566</b>	39,363
Non-controlling interests	<b>14,173</b>	10,541	<b>17,167</b>	22,165
	<b>12,840</b>	14,572	<b>68,733</b>	61,528
	<b><i>RMB cent</i></b>	<i>RMB cent</i>	<b><i>RMB cent</i></b>	<i>RMB cent</i>
<b>Earnings per share</b>				
Basic and diluted	<b>0.83</b>	0.72	<b>5.46</b>	0.73

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the nine months ended 30 September 2010*

	Attributable to owners of the Company								Total equity (Unaudited) RMB'000
	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Reserve funds (Unaudited) RMB'000	Foreign currency translation reserve (Unaudited) RMB'000	Investment revaluation (deficit) /reserve (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	
At 1 January 2009	118,480	377,720	77,974	(55,659)	(12,088)	211,042	717,469	40,122	757,591
Total comprehensive income for the period	–	–	–	93	30,621	8,649	39,363	22,165	61,528
Changes in equity for the period	–	–	–	93	30,621	8,649	39,363	22,165	61,528
At 30 September 2009	<u>118,480</u>	<u>377,720</u>	<u>77,974</u>	<u>(55,566)</u>	<u>18,533</u>	<u>219,691</u>	<u>756,832</u>	<u>62,287</u>	<u>819,119</u>
At 1 January 2010	118,480	377,720	80,463	(55,613)	64,960	229,948	815,958	68,512	884,470
Total comprehensive income for the period	–	–	–	(2,144)	(10,955)	64,665	51,566	17,167	68,733
Dividend to non-controlling interests	–	–	–	–	–	–	–	(5,357)	(5,357)
Formation of a subsidiary	–	–	–	–	–	–	–	980	980
Changes in equity for the period	–	–	–	(2,144)	(10,955)	64,665	51,566	12,790	64,356
At 30 September 2010	<u>118,480</u>	<u>377,720</u>	<u>80,463</u>	<u>(57,757)</u>	<u>54,005</u>	<u>294,613</u>	<u>867,524</u>	<u>81,302</u>	<u>948,826</u>

Note:

## 1. Principal Activities

The Group is principally engaged in the research, development, manufacture, marketing and sale of wireless fire alarm systems and related products, the provision of network security outsource services and manufacture and sale of network security products, the sale of computer products and the development of travel and leisure business.

## 2. Basis of Presentation

### 2.1 Adoption of new and revised HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs issued by HKICPA that are relevant to its operations and effective for accounting year beginning on 1 January 2010. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years except as stated below.

#### a. Consolidation

HKAS 27 (Revised) “Consolidated and Separate Financial Statements” contains the following requirements:

- Total comprehensive income is attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance. The previous HKAS 27 requires excess losses to be allocated to the owners of the Company, except to the extent that the non-controlling shareholders have a binding obligation and are able to make an additional investment to cover the losses.
- Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the Company. The previous HKAS 27 does not have specific requirements for such transactions.
- When the disposal of a subsidiary results in a loss of control, the consideration of the sale and any investment retained in that subsidiary are required to be measured at their fair values. The previous HKAS 27 does not have specific requirements for such fair value measurements.

The above requirements of HKAS 27 (Revised) has been applied prospectively from 1 January 2010 and resulted in changes in the consolidated amounts reported in the condensed consolidated statement of comprehensive income as follows:

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2010</b>	2009
	<b>RMB’000</b>	<b>RMB’000</b>
Decrease in profit for the period attributable to non-controlling interests	<b>184</b>	–

b. Classification of prepaid land lease payments

Amendments to HKAS 17 “Leases” deleted the guidance in HKAS 17 that when the land has an indefinite economic life, the land element is normally classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term.

The Group reclassifies a prepaid land lease payment as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership to the Group e.g. at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the land.

Amendments to HKAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the condensed consolidated financial statements as follows:

	Nine months ended 30 September	
	2010	2009
	RMB'000	RMB'000
Increase in depreciation	<u>64</u>	<u>64</u>

The Group has not applied the following new HKFRSs that have been issued but are not yet effective:

HKAS 24 (Revised)	Related Party Disclosures <sup>1</sup>
Improvements to HKFRSs 2010	Improvements to HKFRSs 2010 <sup>1</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
Amendments to HK (IFRIC) – Int 14	Prepayments of a Minimum Funding Requirements <sup>1</sup>
Amendments to HKFRS 7	Financial Instruments: Disclosures – Disclosures – Transfers of Financial Assets <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2011.

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2011.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2013.

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

## 2.2 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules. These condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values. These condensed consolidated financial statements are presented in RMB, which is the Company’s functional and presentation currency, and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

Save as aforesaid or as otherwise mentioned in this announcement, the accounting policies adopted in preparing these unaudited condensed consolidated financial statements are consistent with those used in the Company’s annual audited consolidated financial statements for the year ended 31 December 2009. These condensed consolidated financial statements should be read in conjunction with these mentioned audited financial statements.

## Basis of consolidation

These condensed consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 September. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the condensed consolidated statement of financial position and condensed consolidated statement of changes in equity within equity. Non-controlling interests are presented in the condensed consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the period between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

### 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 September		Nine months ended 30 September	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
Sale of embedded system products and related products	61,651	48,436	132,575	98,143
Sale of Computers	(5)	3,620	2,015	15,170
Rendering of travel and leisure services	33,314	23,698	57,085	38,037
	<u>94,960</u>	<u>75,754</u>	<u>191,675</u>	<u>151,350</u>

#### 4. Other gains and income

	Three months ended 30 September		Nine months ended 30 September	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
Bank interest income	971	602	1,815	1,457
Change in fair value of financial assets at fair value through profit or loss	–	(762)	–	1,959
Gain/(loss) on disposal of available- for-sale financial assets	(134)	–	55,793	–
Interest income from loan receivables	1,333	–	2,615	–
Others	110	635	223	1,312
	<u>2,280</u>	<u>475</u>	<u>60,446</u>	<u>4,728</u>

#### 5. Finance costs

	Three months ended 30 September		Nine months ended 30 September	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
Interest on bank loan	136	149	407	287
Interest on other loans	98	–	172	–
Net foreign exchange (gains)/losses	2,044	92	3,148	(416)
	<u>2,278</u>	<u>241</u>	<u>3,727</u>	<u>(129)</u>

#### 6. Income tax expense

	Three months ended 30 September		Nine months ended 30 September	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
Current tax – Mainland China				
Enterprise Income Tax				
Provision for the period	6,672	7,229	10,729	9,500
Over-provision in prior period	–	(5,457)	–	(4,823)
Current tax – Hong Kong Profits Tax				
Provision for the period	221	–	432	–
Under-provision in prior period	–	5,457	–	5,457
	<u>6,893</u>	<u>7,229</u>	<u>11,161</u>	<u>10,134</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profits of the Group for the nine months ended 30 September 2010.

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.



During the year ended 31 December 2009, the Company and two subsidiaries of the Company have been certified by the relevant PRC authorities as high technology enterprises. Pursuant to the Income Tax law in the PRC, the Company and the two subsidiaries are subject to the enterprise income tax rate of 15% effective for the three years ending 31 December 2011.

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% (2009: 25%).

## **7. Earnings per share**

### *Basic and diluted earnings per share*

The calculation of basic and diluted earnings per share attributable to owners of the Company for the three months ended 30 September 2010 and 2009 are based on profit for the period attributable to owners of the Company of approximately RMB9,826,000 (2009: RMB8,575,000) and the weighted average number of 1,184,800,000 (2009: 1,184,800,000) Shares in issue during the period.

The calculation of basic and diluted earning per share attributable to owners of the Company for the nine months ended 30 September 2010 and 2009 are based on profit for the period attributable to owners of the Company of approximately RMB64,665,000 (2009: RMB8,649,000) and the weighted average number of 1,184,800,000 (2009: 1,184,800,000) Shares in issue during the period.

## **DIVIDEND**

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2010 (2009: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

#### *Overview*

Driven by the stable growth in WFAS and Tourism Development segments, turnover for the third quarter grew 51.8% quarter-over-quarter and recorded RMB95.0 million. Overall turnover accumulated to RMB191.7 million by the end of September 2010, up 26.6% year-on-year. Gross profit for the third quarter increased in parallel with turnover quarter-over-quarter and recorded RMB46.5 million. Overall gross profit surged 45.8% year-on-year to RMB91.9 million for the nine months ended 30 September 2010. Gross profit margin remained stable during the third quarter. Overall gross profit margin for the first nine months of the year stayed at 48.0%. Cost of sales and services increased by 12.9% year-on-year to RMB99.7 million for the first nine months of the year. Overall operating expenses, including distribution costs, administrative expenses and other operating expenses, increased 47.2% year-on-year to RMB51.4 million mainly due to surge in labour cost. Finance costs increased to RMB3.7 million for the nine months ended 30 September 2010 mainly as a result of exchange losses. Other gains and income were mainly the gain on disposal of partial interests in SMIC and loan interest income from the facilities advanced to certain independent third parties. Profit for the first nine months of the year rose 3.3 times year-on-year to RMB82.7 million mainly due to the gain on disposal of interests in SMIC. Profit excluding this disposal gain would be RMB26.9 million, representing 38.5% increase as compared with the same period last year. Total comprehensive income recorded RMB68.7 million by the end of September 2010, up 11.7% year-on-year mainly due to turnover increase as a result of buoyant market.

## *WFAS*

This segment contributed 67.5% to the Group's turnover for the first nine months of the year and remained the largest profit contributor. Market demand remained strong, leading to a continuous growth in the business. Turnover boosted 89.0% year-on-year to RMB129.4 million by the end of September 2010.

## *NET*

This segment contributed 1.7% to the Group's turnover for the first nine month of the year only. The Group still focused on existing customers. Market expansion is in progress.

## *Computers*

Contribution from Computers segment continued to shrink. Segment turnover represented 1.0% of overall turnover for the nine months ended 30 September 2010 only.

## *Tourism Development*

Thanked for the enhanced accessibility to Hengshan after the opening of Wu-Guang Express Railway as well as increase in attractiveness through alliance with local travel agencies, this segment remained the second important profit centre. It contributed 29.8% to the Group's turnover for the nine months ended 30 September 2010. Turnover boosted 50.1% year-on-year to RMB57.1 million. Around 540,000 man-times of tourists visited Hengshan in the third quarter. Total number of tourists accumulated to around 920,000 man-times by the end of September 2010. About 94% of tourists used the service provided by the Group.

## *Other gains and income*

Other gains and income mainly represented gain on disposal of the Group's partial interests in SMIC during the nine months ended 30 September 2010 and loan interest income from the facilities advanced to certain independent third parties.

## *Investment in a jointly controlled entity – SBI China*

In the third quarter, SBI China invested in a PRC insurance company. The target carried out its insurance business with the coastal areas as center, spreading to the entire country. It has over 1,000 bases in 32 provinces.

A further amount of USD12.3 million was injected into SBI China by the Group during the reporting period. Total contribution from the Group reached USD27.3 million.

### *Available-for-sale financial assets – SMIC*

According to the latest published information, SMIC reported turnover of USD410.1 million for the third quarter of the year, up 7.6% from the second quarter and 26.8% year-on-year. Gross margins improved to 24.5% in the third quarter as compared with 15.6% in the second quarter primarily due to an increase in fab utilization and lower depreciation costs. Gain attributable to ordinary shareholders was USD30.4 million in the third quarter as compared with USD96.0 million in the second quarter. SMIC was profitable in the third quarter on both operational and net income level mainly due to a good overall market environment and internal improvements. Revenue contribution from 65 nm doubled as compared with the second quarter. 40 nm low-leakage technology process was frozen on schedule with a leading customer's endorsement. SMIC accelerated the 45 nm programs, targeting revenue in the second half of 2011.

### *Available-for-sale financial assets – ZJJ Tourism*

According to the latest published information, ZJJ Tourism reported turnover of RMB70.5 million for the first nine months of the year, slightly down 1.2% year-on-year. ZJJ Tourism made net profit of RMB10.1 million for the first nine months while it incurred net loss of RMB9.7 million in the same period last year. Improvement in profitability was mainly the results of revamp and fare rise of major scenic spots, waive of bank interests and waive of certain government fees.

The lock-up period of the shares held in ZJJ Tourism ended in June 2010.

In order to improve its asset quality and profitability, ZJJ Tourism proposed to acquire an environmental transportation business and a real estate business in 2009. The transactions were approved by Hunan Government subsequent to the end of the reporting period.

### **Major Events**

During the second quarter of the year, Expert China entered into an agreement with BJBU Development, a wholly-owned subsidiary of the Company, pursuant to which the latter agreed to make available a facility in a maximum aggregate amount of HK\$110 million to the former for a period of six months at an interest rate of 5% per annum. The facility was early and fully repaid by Expert China during the reporting period.

The Shareholders approved to grant to the Board disposal mandate regarding conditional disposal of 243,163,400 ordinary shares of SMIC held by the Group, being its entire investment in SMIC, during the second quarter of the year. No disposal was carried out by the Group subsequent to the approval up to date of this announcement.

Hong Kong Resources Holdings Company Limited whose shares are traded on The Stock Exchange (stock code: 02882) issued convertible bonds of which a principal amount of HK\$24 million was subscribed by BJBU Development in the reporting period. The convertible bonds are interest bearing at 5% per annum and due three years from issue date convertible into ordinary shares of the bond issuer at HK\$1.58 per share.

## **Liquidity and Financial Resources**

Group net assets reached RMB948.8 million at the end of reporting period, up 7.3% since 31 December 2009 mainly the result of profits accumulated in the first nine months of the year. Current ratio (being the ratio of current assets to current liabilities) dropped from 4.0 to 3.5 since the end of 2009. Gearing ratio (being the ratio of total interest-bearing debts to total equity) rose from 1.1% to 1.9%. Cash and cash equivalents dropped slightly by 1.3% to RMB549.0 million. Financial position remains sound.

## **Exposure to Foreign Currencies**

The Group exposes to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, HK\$ and RMB. The Group does not formulate a foreign currency hedging policy at present as RMB, being the functional currency of the Group, is relatively strong. The Group will closely monitor its exposure and take measures to lower the foreign currency risk when necessary.

## **Capital Commitments**

The Group had capital contribution commitments to jointly controlled entities totaled approximately USD22.7 million as at the end of reporting period.

## **Human Resources**

The Group had 821 employees at the end of the reporting period, up 10.3% from the second quarter and 25.3% since the end of 2009 respectively. Workforce expanded to cope with business growth. The Group offers competitive remuneration package to its staff including medical insurance and travel insurance. The Group strictly follows the requirements regarding mandatory provident fund in Hong Kong and state-managed pension scheme in the PRC respectively.

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

## **Outlook**

The Group reported satisfactory results for the past three quarters. In the remaining period of the year, the Group will continue its current sales strategy in WFAS business. The Group targets to complete the set-up process of Canada WFAS branch by the end of the year. As low season has begun, the Group foresees a drop in number of Hengshan tourists in the coming months. However, the Group is optimistic about the performance of Tourism Development business in 2010.

## DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2010, the interests (including interests in shares and short positions) of Directors, Supervisors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered into the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### Long Positions in Shares:

Name of Director	Capacity	Number of ordinary Shares		Total	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
		Personal interests in H Shares	Other interests in promoters Shares (Note a)				
Mr. Zhang Wan Zhong	Beneficial owner and beneficiary of trust	12,070,000	205,414,000	217,484,000	29.34%	2.49%	18.36%
Mr. Zhang Yong Li (Note b)	Beneficiary of trust	-	205,414,000	205,414,000	29.34%	NA	17.34%
Mr. Chu Yu Guo	Beneficial owner	13,114,000	-	13,114,000	-	2.71%	1.11%
Mr. Xu Zhi Xiang	Beneficial owner and beneficiary of trust	11,527,000	205,414,000	216,941,000	29.34%	2.38%	18.31%
Mr. Liu Yong Jin	Beneficiary of trust	-	205,414,000	205,414,000	29.34%	NA	17.34%
Ms. Feng Ping (Note c)	Beneficial owner and beneficiary of trust	12,070,000	205,414,000	217,484,000	29.34%	2.49%	18.36%
<b>Name of Supervisor</b>							
Mr. Li Ming Chun (Note d)	Beneficiary of trust	-	205,414,000	205,414,000	29.34%	NA	17.34%
Ms. Zhou Min (Note e)	Beneficiary of trust	-	205,414,000	205,414,000	29.34%	NA	17.34%

Remarks: NA represents "not applicable"

*Note:*

- (a) The above Directors and Supervisors are taken to be interested in the issued share capital of the Company through their respective interests as beneficiaries, among other beneficiaries, of Heng Huat trust (“Heng Huat Trust”). By a declaration of Heng Huat Trust made as a deed on 19 July 2000, Mr. Xu Zhen Dong (a former Director), Mr. Zhang Wan Zhong and Ms. Liu Yue (who has been replaced by Mr. Xu Zhi Xiang 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 JB Software, Beida Jade Bird, Yu Huan and Xinda Real Estate 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, and is taken to be interested in 205,414,000 shares of the Company which Dynamic Win is interested. Mr. Xu Zhen Dong, Mr. Zhang Wan Zhong and Mr. Xu Zhi Xiang (who replaced Ms. Liu Yue as a trustee on 9 May 2003 upon Ms. Liu’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.
- (b) Mr. Zhang Yong Li was appointed as Director on 8 January 2010. He resigned from the Supervisory Committee on the same date.
- (c) Ms. Feng Ping is interested in the promoters Shares by virtue of the interests held by her spouse.
- (d) Mr. Li Ming Chun was appointed as Supervisor on 8 January 2010. He resigned from the Board on the same date.
- (e) Ms. Zhou Min was appointed as Supervisor on 30 June 2010.

Save as disclosed above, none of the Directors, Supervisors and chief executive of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules as at 30 September 2010.

## **DIRECTORS’ AND SUPERVISORS’ RIGHTS TO ACQUIRE SHARES**

Save as disclosed in the employee share option scheme below, at no time during the reporting 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.

## **EMPLOYEE SHARE OPTION SCHEME**

The Company approved a share option scheme on 5 July 2000, pursuant to which the Board may, at its discretion, grant share option to any full-time employees (including directors of the Company and its subsidiaries) of the Group to subscribe for H Shares subject to a maximum aggregate of 30% of the Company’s Shares in issue from time to time. However, employees who are Mainland China nationals shall not be entitled to exercise the option until the current restrictions on Mainland China nationals from subscribing for or dealing in H Shares imposed by the relevant PRC law and regulations have been abolished or removed. No options have been granted by the Company to any employees of the Group since the date of establishment of the share option scheme. The scheme had expired on 4 July 2010.

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

At 30 September 2010, 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 Shares:

Name	Note	Capacity and nature of interests	Number of Shares held	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
1. Peking University	(a)	Through controlled corporations	310,000,000	44.29%	NA	26.16%
2. Beida Asset Management Co., Ltd.	(a)	Through controlled corporations	310,000,000	44.29%	NA	26.16%
3. Beijing Beida Jade Bird Software System Co., Ltd.	(a), (c)	Directly beneficially owned and through a controlled corporation	310,000,000	44.29%	NA	26.16%
4. Beijing Beida Jade Bird Limited	(a), (b)	Directly beneficially owned and through a controlled corporation	200,000,000	28.57%	NA	16.88%
5. Beijing Beida High Technology Investment Co., Ltd.	(a)	Directly beneficially owned	85,000,000	12.14%	NA	7.17%
6. Heng Huat Investments Limited	(d)	Through a controlled corporation	205,414,000	29.34%	NA	17.34%
7. Dynamic Win Assets Limited	(d)	Directly beneficially owned	205,414,000	29.34%	NA	17.34%
8. Mr. Xu Zhen Dong	(e)	Trustee and beneficially of trust	205,414,000	29.34%	NA	17.34%
9. Mongolia Energy Corporation Limited	(f)	Through a controlled corporation	84,586,000	12.08%	NA	7.14%
10. New View Venture Limited	(f)	Directly beneficially owned	84,586,000	12.08%	NA	7.14%
11. Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	NA	4.22%
12. Taifook Securities Company Limited	(g)	Directly beneficially owned	80,800,000	NA	16.67%	6.82%
13. Taifook Finance Company Limited	(g)	Through a controlled corporation	80,800,000	NA	16.67%	6.82%
14. Taifook (BVI) Limited	(g)	Through controlled corporations	80,800,000	NA	16.67%	6.82%

*Notes:*

- (a) Peking University is taken to be interested in 26.16% of the total issued share capital of the Company through the following companies:
- (i) 85 million Shares (representing approximately 7.17% of the Company's total issued share capital) held by Beida High Technology, which is beneficially owned by Peking University;
  - (ii) 110 million Shares (representing approximately 9.28% of the Company's total issued share capital) held by JB Software itself, which is 48% beneficially owned by Peking University; and
  - (iii) 115 million Shares (representing approximately 9.71% of the Company's total issued share capital) held by Beida Jade Bird itself, which is beneficially owned by Peking University.

Beida Asset Management Co., Ltd. is wholly owned by Peking University.

On 21 January 2008, the Company was notified by JB Software that it had entered into a share transfer agreement with HZ Jade Bird on 18 January 2008 whereas it agreed to transfer to HZ Jade Bird 110 million Shares subject to approval by 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council). The transfer was still pending for approval at the end of the reporting period.

On 3 November 2009, the Company was notified by HZ Jade Bird that it entered into a share transfer agreement with Beida High Technology on the same date whereas it agreed to transfer to Beida High Technology 85 million Shares. Beida High Technology is 80% beneficially owned by Guangzhou Beida Jade Bird BIS Co., Ltd. while the latter is 80% beneficially owned by Beida Jade Bird. The transfer was effective upon completion of registration in Administration for Industry & Commerce and Bureau of Commerce during the reporting period.

- (b) The interests of Beida Jade Bird comprise 115 million Shares held by it and 85 million Share held by Beida High Technology.
- (c) The interests of JB Software comprise 110 million Shares held by it and 200 million Shares held by Beida Jade Bird, which is 46% beneficially owned by JB Software.
- (d) The Shares are held by Dynamic Win, which is beneficially wholly owned by Heng Huat.
- (e) Mr. Xu Zhen Dong is taken to be interested in the Shares through his interests as beneficiary of Heng Huat Trust. Details of the nature of his interests are set out in note (a) of the section "Directors', Supervisors' and chief executive's interests and short position in Shares and underlying Shares" on page 14.
- (f) The Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (g) The Shares are held by Taifook Securities Company Limited, which is directly wholly-owned by Taifook Finance Company Limited and indirectly wholly-owned by Taifook (BVI) 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 executive's interests and short positions in Shares and underlying Shares" above, had registered interests or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO as at 30 September 2010.



## **COMPETING INTERESTS**

As at 30 September 2010, 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.

## **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the end of the reporting period, the Group disposed of 5 million shares of ZJJ Tourism for an aggregate consideration of RMB40.5 million.

Save as disclosed above and in section “Management Discussion and Analysis”, the Group had no significant events after 30 September 2010 (2009: Nil).

## **AUDIT COMMITTEE**

The Company established its Audit Committee with terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee include monitoring the financial reporting system and internal control procedure of the Group, reviewing financial information and advising the Board on the engagement and independence of external auditors.

Audit Committee comprises three members. The chairman is Professor Nan Xiang Hao. The two members are Mr. Cai Chuan Bing and Mr. Lin Yan. All of them are independent non-executive Directors. Audit Committee had held a meeting to review the Group’s third quarterly results report for the nine months ended 30 September 2010 and concluded the meeting with agreement to the contents of the quarterly report.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules during the nine months ended 30 September 2010.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the nine months ended 30 September 2010 (2009: Nil).

By order of the Board  
**Beijing Beida Jade Bird Universal Sci-Tech Company Limited**  
**Chu Yu Guo**  
*Chairman*

Beijing, the PRC, 10 November 2010

## GLOSSARY

“Audit Committee”	audit committee of the Company
“Beida High Technology”	Beijing Beida High Technology Investment Co., Ltd.
“Beida Jade Bird”	Beijing Beida Jade Bird Limited
“BJBU Development”	Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited
“Board”	Board of Directors
“Company”	Beijing Beida Jade Bird Universal Sci-Tech Company Limited
“Computers”	computer products of the Group
“Director(s)”	director(s) of the Company
“Dynamic Win”	Dynamic Win Assets Limited
“Expert China”	Expert China Investments Limited
“GEM”	the Growth Enterprise Market of The Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	Company and its subsidiaries
“H Share(s)”	overseas-listed foreign Share(s) listed on GEM
“HK\$”	Hong Kong dollars
“HKFRSs”	Hong Kong Financial Reporting Standards
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HZ Jade Bird”	Hang Zhou Beida Jade Bird Sci-Tech Co., Ltd.
“JB Software”	Beijing Beida Jade Bird Software System Co., Ltd.

“NET”	provision of network security outsource services and manufacture and sale of network security products by the Group
“PRC”	People’s Republic of China
“RMB”	Renminbi
“SBI China”	SBI & BDJB China Fund, L.P.
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB0.10 each
“Shareholder(s)”	shareholder(s) of the Company
“SMIC”	Semiconductor Manufacturing International Corporation
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	supervisory committee of the Company
“The Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tourism Development”	travel and leisure business of the Group
“USD”	United States dollars
“WFAS”	wireless fire alarm systems and related products of the Group
“Yu Huan”	Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd.
“ZJJ Tourism”	Zhang Jia Jie Tourism Development Co., Ltd.

*As at the date of this announcement, Mr. Zhang Wan Zhong, Ms. Xue Li and Mr. Zhang Yong Li are executive Directors, Mr. Chu Yu Guo, Mr. Xu Zhi Xiang, Mr. Liu Yong Jin and Ms. Feng Ping are non-executive Directors and Professor Nan Xiang Hao, Mr. Cai Chuan Bing and Mr. Lin Yan are independent non-executive Directors.*

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