



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 2011

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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 herein or this announcement misleading.

* For identification purposes only

SECOND QUARTERLY RESULTS (UNAUDITED)

The Board was delighted to announce the unaudited consolidated results of the Group for the six months ended 30 June 2011 together with the unaudited comparative figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

		Three months ended 30 June		Six months ended 30 June	
		2011	2010	2011	2010
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	3	73,651	62,556	114,571	96,715
Cost of sales and services		(36,632)	(31,952)	(60,818)	(51,264)
Gross profit		37,019	30,604	53,753	45,451
Other gains and income	5	14,293	1,566	19,944	58,166
Distribution costs		(3,850)	(3,016)	(8,436)	(7,062)
Administrative expenses		(12,729)	(11,380)	(28,198)	(21,988)
Other expenses		(3,853)	(2,084)	(8,173)	(4,158)
Finance costs	6	(2,276)	(1,184)	(4,009)	(1,449)
Change in fair value of derivative financial instruments		(1,736)	–	(1,736)	–
Share of losses of associates		(31)	–	(31)	–
Share of profits/(losses) of jointly controlled entities		3,750	(1,165)	2,382	(2,487)

	Note	Three months ended 30 June		Six months ended 30 June	
		2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Profit before tax		30,587	13,341	25,496	66,473
Income tax credit/(expense)	7	7,867	(3,712)	6,890	(4,268)
Profit for the period	8	38,454	9,629	32,386	62,205
Other comprehensive income after tax					
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets		–	–	(1,699)	–
Change in fair value of available-for-sale financial assets		5,285	(94,048)	13,508	(5,272)
Exchange differences on translating foreign operations		(2,245)	(923)	(3,924)	(1,040)
Income tax relating to change in fair value of available-for-sale financial assets		–	878	–	–
Other comprehensive income for the period, net of tax		3,040	(94,093)	7,885	(6,312)
Total comprehensive income for the period		41,494	(84,464)	40,271	55,893
Profit for the period attributable to:					
Owners of the Company		29,171	3,192	21,210	54,839
Non-controlling interests		9,283	6,437	11,176	7,366
		38,454	9,629	32,386	62,205
Total comprehensive income for the period attributable to:					
Owners of the Company		32,212	(85,476)	29,775	52,899
Non-controlling interests		9,282	1,012	10,496	2,994
		41,494	(84,464)	40,271	55,893
		RMB cent	RMB cent	RMB cent	RMB cent
Earnings per share					
Basic and diluted	9	2.46	0.27	1.79	4.63

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	<i>Note</i>	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Non-current assets			
Property, plant and equipment		62,217	62,340
Goodwill		6,125	6,125
Other intangible assets		16,071	18,214
Investment in associates	10	1,069	700
Investment in jointly controlled entities		191,942	167,402
Available-for-sale financial assets	11	219,841	162,489
		497,265	417,270
Current assets			
Inventories		63,435	42,422
Trade receivables	12	50,227	25,259
Due from a shareholder		–	47
Due from related parties		78	168
Prepayments, deposits and other receivables		37,269	15,456
Derivative financial instruments		230	1,992
Non-pledged time deposits with original maturity of more than three months when acquired		3,243	3,315
Cash and cash equivalents		544,246	643,845
		698,728	732,504
Total assets		1,195,993	1,149,774
Current liabilities			
Trade payables	13	49,080	27,798
Advances from customers		14,365	12,181
Accruals and other payables		55,556	55,375
Due to a shareholder		621	2,109
Due to related parties	14	36,391	3,337
Due to non-controlling interests		8,400	11,400
Bank and other loans	15	19,000	15,000
Current tax liabilities		20,029	78,185
		203,442	205,385
Net current assets		495,286	527,119
Total assets less current liabilities		992,551	944,389

		30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Non-current liabilities			
Deferred tax liabilities		—	566
		—	566
NET ASSETS		992,551	943,823
Capital and reserves			
Share capital	<i>16</i>	118,480	118,480
Reserves		779,164	753,847
Equity attributable to owners of the Company		897,644	872,327
Non-controlling interests		94,907	71,496
TOTAL EQUITY		992,551	943,823

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Attributable to owners of the Company								Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Reserve funds RMB'000	Foreign currency translation reserve RMB'000	Investment revaluation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	
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	-	-	-	(1,040)	(900)	54,839	52,899	2,994	55,893
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5,357)	(5,357)
Changes in equity for the period	-	-	-	(1,040)	(900)	54,839	52,899	(2,363)	50,536
At 30 June 2010	<u>118,480</u>	<u>377,720</u>	<u>80,463</u>	<u>(56,653)</u>	<u>64,060</u>	<u>284,787</u>	<u>868,857</u>	<u>66,149</u>	<u>935,006</u>
At 1 January 2011	118,480	377,720	85,489	(61,098)	49,072	302,664	872,327	71,496	943,823
Total comprehensive income for the period	-	-	-	(3,924)	12,489	21,210	29,775	10,496	40,271
Capital contribution from non- controlling interests	-	-	-	-	-	-	-	9,800	9,800
Disposal of a subsidiary with loss of control	-	-	-	-	-	-	-	(343)	(343)
Change in ownership interests in a subsidiary without change in control	-	-	-	-	-	(4,458)	(4,458)	4,458	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(1,000)	(1,000)
Changes in equity for the period	-	-	-	(3,924)	12,489	16,752	25,317	23,411	48,728
At 30 June 2011	<u>118,480</u>	<u>377,720</u>	<u>85,489</u>	<u>(65,022)</u>	<u>61,561</u>	<u>319,416</u>	<u>897,644</u>	<u>94,907</u>	<u>992,551</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Net cash generated from/(used in) operating activities	57,994	(29,808)
Net cash (used in)/generated from investing activities	(166,355)	7,556
Net cash generated from/(used in) financing activities	9,443	(5,663)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(98,918)	(27,915)
Effect of foreign exchange rate changes	(681)	(208)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	643,845	541,822
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD, REPRESENTED BY	544,246	513,699
Cash and bank balances	544,246	513,699
Time deposits	3,243	3,396
	547,489	517,095
Less: Non-pledged time deposits with original maturity of more than three months when acquired	(3,243)	(3,396)
CASH AND CASH EQUIVALENTS	544,246	513,699

Note:

1. GENERAL INFORMATION

The Company was incorporated in 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 Room 1002, 10th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong respectively.

The Group is principally engaged in the research, development, manufacture, marketing and sale of wireless fire alarm systems and related products, the development of travel and leisure business and investment holding.

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 the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for accounting period beginning on 1 January 2011. 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 amounts reported for the current period and prior periods except as stated below.

Related Party Disclosures

HKAS 24 (Revised) "Related Party Disclosures" revises the definition of a related party and provides a partial exemption of disclosing related party transactions for government-related entities.

A related party is a person or entity that is related to the Group.

- (A) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (B) An entity is related to the Group (reporting entity) if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (A).
- (vii) A person identified in (A) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

HKAS 24 (Revised) exempts an entity from the disclosure requirements in relation to related party transactions and outstanding balances, including commitments, with

- a government that has control, joint control or significant influence over the entity; and
- another entity that is a related party because the same government has control, joint control or significant influence over both entities.

The entity that applies the exemption is required to disclose the followings:

- the name of the government and the nature of its relationship with the entity (i.e. control, joint control or significant influence); and
- the following information in sufficient detail to enable users of the entity’s financial statements to understand the effect of related party transactions on its financial statements:
 - i. the nature and amount of each individually significant transaction; and
 - ii. for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

HKAS 24 (Revised) has been applied retrospectively and did not result in any significant changes in the consolidated amounts disclosed in the financial statements.

Amendment to HKAS 34 “Interim Financial Reporting” emphasizes the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of change to fair value measurement (if significant), and need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

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

Amendments to HKFRS 1	First-time adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfer of Financial Assets ¹
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets ²
HKFRS 9	Financial Instruments ³
HKAS 27 (2011)	Separate Financial Statements ³
HKAS 28 (2011)	Investments in Associates and Joint Ventures ³
HKFRS 10	Consolidated Financial Statements ³
HKFRS 11	Joint Arrangements ³
HKFRS 12	Disclosure of Interests in Other Entities ³
HKFRS 13	Fair Value Measurement ³
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income ³
HKAS 19 (2011)	Employee Benefits ⁴

¹ Effective for annual periods beginning on or after 1 July 2011.

² Effective for annual periods beginning on or after 1 January 2012.

³ Effective for annual periods beginning on or after 1 July 2012.

⁴ 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 HKAS 34 “Interim Financial Reporting” issued by the HKICPA, 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 2010. These condensed consolidated financial statements should be read in conjunction with these mentioned audited financial statements.

Key sources of estimation uncertainty

In preparing these condensed consolidated financial statements, the significant judgment made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2010, except for changes in estimates that are required in determining the fair value of debt investments.

Basis of consolidation

The condensed consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June. 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 June		Six months ended 30 June	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Sale of embedded system products and related products	56,320	47,642	87,115	70,924
Sale of Computers	–	(2)	–	2,020
Rendering of travel and leisure services	17,331	14,916	27,456	23,771
	<u>73,651</u>	<u>62,556</u>	<u>114,571</u>	<u>96,715</u>

4. SEGMENT INFORMATION

In order to better reflect the current and future activities of the Group, the Group reorganizes its segment information during the six months ended 30 June 2011. After reorganization, the Group has five (2010: four) reportable segments as follows:

Manufacture and sale of electronic fire equipment	–	research, development, manufacture, marketing and sale of WFAS and related products
Tourism development	–	development of travel and leisure business
Equity fund investment	–	investment in equity fund
Non-equity fund investment	–	investment other than equity fund
LED business	–	investment in LED business
All other segments	–	business activities and operating segments not separately reported, including NET and Computers

The Group's revised reportable segments are strategic business units that are managed separately because each unit requires different technology, development strategies and marketing strategies.

Save for the reorganization of reportable segments and reporting of measure of total assets, the accounting policies of operating segments are as same as those applied in the consolidated financial statements for the year ended 31 December 2010. Segment profits or losses do not include interest income, unallocated other gains and income, finance costs and unallocated corporate expenses.

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

Corresponding items of segment information for the six months ended 30 June 2010 have been restated to reflect the current change.

Information about reportable segment profit or loss:

	Revenue from external customers		Segment profit/(loss)	
	2011 RMB'000	2010 RMB'000 (restated)	2011 RMB'000	2010 RMB'000 (restated)
Manufacture and sale of electronic fire equipment	85,358	68,439	15,827	13,918
Tourism development	27,456	23,771	10,119	9,395
Equity fund investment	–	–	2,270	(2,487)
Non-equity fund investment	–	–	(1,925)	55,927
LED business	–	–	(19)	–
All other segments	1,757	4,505	(775)	(868)
	<u>114,571</u>	<u>96,715</u>	<u>25,497</u>	<u>75,885</u>
Interest income			2,694	2,126
Unallocated other gains and income			14,134	113
Finance costs			(4,009)	(1,449)
Unallocated corporate expenses			(12,820)	(10,202)
Profit before tax			<u>25,496</u>	<u>66,473</u>

Information about reportable total assets:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Manufacture and sale of electronic fire equipment	177,269	153,768
Tourism development	150,822	62,972
Equity fund investment	193,931	168,102
Non-equity fund investment	151,919	135,892
LED business	75,356	21,480
All other segments	1,224	3,712
	<u>750,521</u>	<u>545,926</u>
Unallocated corporate assets	<u>445,472</u>	<u>603,848</u>
	<u>1,195,993</u>	<u>1,149,774</u>

5. OTHER GAINS AND INCOME

	Three months ended 30 June		Six months ended 30 June	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Bank interest income	647	582	1,344	844
Gain on disposal of a subsidiary	12,601	–	12,601	–
Gain/(loss) on disposal of available-for-sale financial assets	–	(339)	3,116	55,927
Interest income from convertible bonds	613	–	1,240	–
Interest income from loan receivables	110	1,282	110	1,282
Others	322	41	1,533	113
	<u>14,293</u>	<u>1,566</u>	<u>19,944</u>	<u>58,166</u>

6. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Interest on bank loan	152	128	294	271
Interest on other loan	104	74	165	74
Net foreign exchange losses	2,020	982	3,550	1,104
	<u>2,276</u>	<u>1,184</u>	<u>4,009</u>	<u>1,449</u>

7. INCOME TAX (CREDIT)/EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Current tax – PRC Enterprise Income Tax				
Provision for the period	4,513	3,501	5,383	4,057
Over-provision in prior year	(12,380)	–	(12,380)	–
Current tax – Hong Kong Profits Tax				
Provision for the period	–	211	107	211
	<u>(7,867)</u>	<u>3,712</u>	<u>(6,890)</u>	<u>4,268</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2010: 16.5%) on the estimated assessable profits of the Group for the six months ended 30 June 2011.

Tax charge on profits assessable elsewhere have 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 had 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 PRC Enterprise Income Tax at a rate of 15% effective for the year 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% (2010: 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	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Amortisation of other intangible assets				
Included in cost of sales and services	1,071	1,071	2,143	2,143
Included in administrative expenses	–	2	1	4
Depreciation	2,947	2,516	5,779	5,001
Gain on disposal of property, plant and equipment	7	–	7	7
Operating leases charges in respect of land and buildings	905	791	1,790	1,696
Reversal of allowance for doubtful trade receivables	80	–	150	–
Research and development expenditure	3,902	1,995	8,240	4,039
	<u>3,902</u>	<u>1,995</u>	<u>8,240</u>	<u>4,039</u>

9. EARNINGS PER SHARE

Basis 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 June 2011 and 2010 are based on profit for the period attributable to owners of the Company of approximately RMB29,171,000 (2010: RMB3,192,000) and the weighted average number of ordinary shares of 1,184,800,000 (2010: 1,184,800,000) in issue during the period.

The calculation of basic and diluted earnings per share attributable to owners of the Company for the six months ended 30 June 2011 and 2010 are based on profit for the period attributable to owners of the Company of approximately RMB21,210,000 (2010: RMB54,839,000) and the weighted average number of ordinary shares of 1,184,800,000 (2010: 1,184,800,000) in issue during the period.

10. INVESTMENT IN ASSOCIATES

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Unlisted investment:		
Share of net assets	80,669	700
Amount due to an associate	(79,600)	–
	<u>1,069</u>	<u>700</u>

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Equity securities, at fair value		
Listed in Hong Kong	127,395	115,868
Listed outside Hong Kong	<u>–</u>	<u>7,860</u>
Market value of listed securities	127,395	123,728
Equity securities, at cost		
Unlisted outside Hong Kong	250	250
Equity securities, at fair value		
Unlisted outside Hong Kong (<i>note (i)</i>)	74,373	20,479
Debt investments, at fair value		
Unlisted in Hong Kong (<i>note (ii)</i>)	<u>17,823</u>	<u>18,032</u>
	<u>219,841</u>	<u>162,489</u>

Note:

- (i) The fair value of the unlisted equity securities as at 31 December 2010 was determined with reference to the valuation performed by Greater China Appraisal Limited, a firm of independent professional qualified valuers by using discounted cash flow method which requires a number of assumptions including revenue and expense forecasts, working capital requirement and capital expenditure requirement. It also includes inputs such as growth rate and weighted average cost of capital in determining the fair value. This also clarifies the wordings in note 20(iii) of the 2010 annual report.

Increase in balance was due to further capital paid during the reporting period.

- (ii) The components of the debt investments are as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Unlisted convertible bonds*, at fair value	17,823	18,032
Embedded option derivatives, at fair value	<u>230</u>	<u>1,992</u>
	<u>18,053</u>	<u>20,024</u>

- * Issued by Hong Kong Resources Holdings Company Limited (“Hong Kong Resources”) whose shares are traded on the Stock Exchange with stock code 02882.

At 30 June 2011, the Group held unlisted convertible bonds with a principal amount of HK\$24,000,000 (equivalent to RMB19,958,000). The convertible bonds are interest bearing at 5% per annum and due three years from 15 September 2010 convertible into ordinary shares of Hong Kong Resources at HK\$1.58 (equivalent to RMB1.31) per share.

The fair values of the convertible bonds and their components were determined with reference to the valuation performed by Greater China Appraisal Limited by using Binomial Lattice Model. The major inputs used in the valuation include stock price, expected volatility, dividend yield and risk-free rate which can be obtained from observable markets. This also clarifies the wordings in note 20(iv) of the 2010 annual report.

12. TRADE RECEIVABLES

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

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

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
0 to 90 days	35,322	16,458
91 to 180 days	5,592	1,455
181 to 365 days	3,242	2,545
Over 365 days	6,071	4,801
	<u>50,227</u>	<u>25,259</u>

13. TRADE PAYABLES

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

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
0 to 90 days	45,271	20,704
91 to 180 days	57	2,126
181 to 365 days	22	53
Over 365 days	3,730	4,915
	<u>49,080</u>	<u>27,798</u>

14. DUE TO RELATED PARTIES

Amount due to related parties includes an advance from a related party during the reporting period. The advance is unsecured, interest-free and has no fixed terms of payment.

15. BANK AND OTHER LOANS

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Bank loan, secured	10,000	10,000
Other loan, unsecured	9,000	5,000
	<u>19,000</u>	<u>15,000</u>

Bank and other loans are repayable within one year (shown under current liabilities).

The carrying amount of the Group's bank and other loans are denominated in RMB.

The interest rates paid for bank loan and other loan at 30 June 2011 were 6.31% (December 2010: 5.31%) and 6.31% (December 2010: 4.90%) respectively.

At 30 June 2011 and 31 December 2010, the bank loan was secured by a charge over certain property, plant and equipment of the Group.

16. SHARE CAPITAL

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Registered, issued and fully paid:		
700,000,000 promoters shares of RMB0.10 each	70,000	70,000
484,800,000 H Shares of RMB0.10 each	48,480	48,480
	<u>118,480</u>	<u>118,480</u>

17. RELATED PARTY TRANSACTIONS

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

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of embedded systems products and WFAS to related companies – controlled by Peking University	<u>1,848</u>	<u>2,529</u>	<u>3,059</u>	<u>4,345</u>
Rental expenses for office building charged by – a shareholder of the Company	<u>196</u>	<u>170</u>	<u>361</u>	<u>352</u>
– Peking University	<u>4</u>	<u>2</u>	<u>8</u>	<u>6</u>
	<u>200</u>	<u>172</u>	<u>369</u>	<u>358</u>

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

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

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	RMB'000	RMB'000	RMB'000	RMB'000
Short term employee benefits	<u>710</u>	<u>677</u>	<u>1,421</u>	<u>1,352</u>
Post-employment benefits	<u>56</u>	<u>43</u>	<u>107</u>	<u>85</u>
	<u>766</u>	<u>720</u>	<u>1,528</u>	<u>1,437</u>

18. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section “Management Discussion and Analysis” below, the Group had no significant events after 30 June 2011 (2010: Nil).

19. SEASONALITY OF OPERATIONS

Sales of WFAS products are subject to seasonal fluctuations with peak demand in the second half of a year which matches with normal peak season of completion of a construction work. In the year ended 31 December 2010, 32% and 68% of full-year turnover accumulated in the first and second half of the year respectively.

Rendering of travel and leisure service are also subject to seasonal fluctuation with peak demand in the second half of a year which matches with the peak season of tourism. In the year ended 31 December 2010, 34% and 66% of full-year turnover accumulated in the first and second half of the year respectively.

20. SIGNIFICANT EVENTS AND TRANSACTIONS

Significant events and transactions occurred during the six months ended 30 June 2011 are detailed in the section “Management Discussion and Analysis” below.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Continuing growth in WFAS and Tourism development businesses pushed turnover and profitability of the Group up to a high level. Half-year turnover surged 18.5% year-on-year to RMB114.6 million while gross profits increased in parallel by 18.3% year-on-year to RMB53.8 million. Gross profit margin remained stable at 47.0%. Cost of sales and services increased 18.6% year-on-year to RMB60.8 million. Overall expenses, including distribution costs, administrative expenses and other expenses, increased 34.9% year-on-year to RMB44.8 million mainly due to surge in material and labour cost. Finance costs mainly consisted of exchange losses and rose to RMB4 million owing to continuing appreciation of RMB over the six months ended 30 June 2011. Other gains and income, represented mainly by gain on disposal of the Company’s entire interests in a non-wholly-owned subsidiary, decreased 65.7% year-on-year to RMB19.9 million. As a result of a comparatively larger gain on disposal of equity securities in the first half of 2010, profit before tax and attributable to owners of the company dropped 61.6% and 61.3% respectively to RMB25.5 million and RMB21.2 million. Total comprehensive income attributable to owners of the Company dropped 43.7% year-on-year mainly due to decrease in profit despite an increase in fair value of the available-for-sale financial assets.

Manufacture and sale of electronic fire equipment

Turnover soared 24.7% year-on-year to RMB85.4 million, representing 74.5% of the Group’s turnover for the first half of the year. Segment profit rose 13.7% year-on-year to RMB15.8 million. Demand for the Group’s products remained strong despite the control measure on PRC real estate market impacted on the industry as recognition of the Group’s brand continued to grow around the country. Production capacity continued to expand which further boosted the turnover growth.

Tourism development

Turnover climbed up steadily by 15.5% year-on-year to RMB27.5 million, representing 24.0% of the Group's turnover for the first six months. Around 335,000 arrivals visited Hengshan during the reporting period, up 39.6% year-on-year. Total number of arrivals accumulated to 505,000 for the first half of 2011, up 32.9% year-on-year. Number of arrivals which were dominated by pilgrims grew steadily but the Group's turnover growth rate slowed down due to service utilization rate approached to its limit. Property management contributed about 0.6% profit before tax to the Group in the first half of the year.

Investment in a jointly controlled entity – SBI China

There was no new investment concluded in the first six months of the year. During the reporting period, SBI China received dividend from its investment in vocational IT education for the first time. The insurance sector had completed its capital expansion process. Details of the LED sector are set out in the section below.

Investment in LED business

The Group completed its capital injection into EnRay Tek in the first half of 2011. Up to date of announcement, 6 MOCVD machines were shipped into the factory while 3 of them were installed and tested in the reporting period. The first green LED epitaxial wafer lighted successfully. Construction work of the factory was basically completed while internal decoration is in progress. Production does not start yet as EnRay Tek is waiting for the arrival, installation and testing of the remaining MOCVD machines as well as other auxiliary equipment.

Available-for-sale financial assets – SMIC

SMIC recorded revenue of US\$370.6 million during the first quarter of 2011, down by 9.3% as compared with the previous quarter largely due to seasonality and key customer's transition to 65 nanometers and 45 nanometers, and up by 7.2% year-on-year. Gross margin was 18.6% in the first quarter of 2011, down 5.7% as compared with the previous quarter due to a decline in fab utilization. Net cash flow from operations decreased to US\$73.4 million from the previous quarter while income attributable to holders of ordinary shares was US\$10.2 million.

SIGNIFICANT EVENTS

Apart from those mentioned in the Group's first quarterly report of 2011, the following significant events occurred during the second quarter.

The Company disposed of entire interests in Wuhan Beida Jade Bird Netsoft Co., Ltd., as profit contribution from this subsidiary remained small over the past three years and the Directors decided to reallocate resources to other areas. A disposal gain of RMB12.6 million was recorded.

Chuanqi Tourism Investment Co., Ltd., a direct non-wholly-owned subsidiary of the Company, entered into a conditional equity transfer agreement with Beida High Technology in May 2011 to acquire 46.6% of the registered capital of Changsha Songya Lake Construction Investment Co., Ltd. (“Songya Lake”) for a consideration of RMB53 million. It also agreed to provide a shareholder loan with an amount no more than RMB40 million to Songya Lake for its working capital purpose. In view of long term development potential of Hunan Province, the Directors believe the acquisition would benefit the Company by expanding its revenue base and also provides it with an opportunity to enjoy the development of the province in the future. The acquisition has no immediate effect on the net assets of the Group.

The disposal mandate regarding conditional disposal of 243,163,400 ordinary shares of SMIC granted in 2010 ended on 30 June 2011. No disposal was carried out by the Company during the mandate period.

LIQUIDITY AND FINANCIAL RESOURCES

Group net assets reached RMB992.6 million at the end of reporting period, up 5.2% slightly since 31 December 2010 mainly the result of profit and fair value increase in investment in listed securities during the six months ended 30 June 2011 as well as capital contribution from non-controlling shareholders. Current ratio (being the ratio of current assets to current liabilities) deteriorated slightly from 3.6 to 3.4 mainly because of further capital injection into the investment fund. Gearing ratio (being the ratio of total interest-bearing debts to total equity) increased to 1.9% as a result of additional other loan borrowed. Financial position remained healthy albeit cash and cash equivalents dropped by 15.5% to RMB544.2 million since last year end.

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. In addition, turnover and most of the production costs are denominated in RMB and they are automatically hedged, leaving limited currency risk. The Group continues to monitor its exposure and will take measures to lower the foreign currency risk when necessary.

CONTINGENT LIABILITY AND CAPITAL COMMITMENT

The Group had capital contribution commitments to a jointly controlled entity and an associate totaled approximately RMB157.4 million at the end of reporting period.

BJBU Development, a wholly-owned subsidiary of the Company, received an Assessment Demanding Final Tax for 2004/05 from IRD during the reporting period claiming a final tax of around HK\$47.8 million in which HK\$47.7 million relates to a claim for gain on disposal of part of investment in SMIC during 2004. No provision was made as at 30 June 2011 as the matter is still in a preliminary stage and the Directors opine that BJBU Development has strong grounds and sufficient evidence to defend the capital nature of the gain. Moreover, IRD regarded the assessment as protective action and allowed those part of tax relating to the contended capital gain to be held over unconditionally pending the outcome of objection. The Directors opine that the action of IRD highly correlates with timing factor because the year of assessment 2004/05 became statutorily time-barred by the end of March 2011.

Should the assessment regarding claim for the gain be finally judged against BJBU Development, the Group will have a cash outflow of around HK\$47.7 million (equivalent to approximately RMB39.7 million), representing approximately 7.3% of cash and cash equivalents as at 30 June 2011. There will be no effect on the profit or loss before tax. The Directors are unable to comment on when the matter will be settled given its preliminary stage.

HUMAN RESOURCES

The Group had a workforce of over 980 peoples at the end of the reporting period, up 14.2% and 5.4% as compared with the end of 2010 and first quarter of 2011 respectively as a result of organic growth of businesses. Among the staff, over 40% are graduates or above and the percentage remained stable during the first six months of the year. The Group strictly complies with applicable labour law and regulations both in the PRC and Hong Kong. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement fund and provident fund are contributed timely.

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

OUTLOOK

Looking forward to the second half of the year, the Group is optimistic over the performance of firefighting equipment sector. The Group will continue to enhance and improve the quality of the staff and agent in this sector by conducting more tailor-made training programs. Eight sections of closed training courses had been conducted all over the country with strict assessment. Over 700 staff and agents completed the courses with satisfactory results. The Group will continue to penetrate into the firefighting market through development of sizable regional agents and establishment of more selling terminals. Owing to the mix effect from the convenience brought by Wu-Guang Express Railway and fare rise in attractions, the Group is conservatively optimistic over the performance of Tourism development sector. Profit contribution from SBI China is expected to come but the amount may be small at first.

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

As at 30 June 2011, 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			Approximate percentage of the Company's total number of issued promoters shares	Approximate percentage of the Company's total number of issued H shares	Approximate percentage of the Company's total issued share capital
		Interests in promoters Shares (Note a)	Interests in H Shares	Total			
Mr. Zhang Wanzhong	Beneficial owner and beneficiary of trust	205,414,000	12,070,000	217,484,000	29.34%	2.49%	18.36%
Mr. Zhang Yongli	Beneficiary owner and beneficiary of trust	205,414,000	13,200,000	218,614,000	29.34%	2.72%	18.45%
Mr. Chu Yuguo (Note b)	Beneficial owner	-	13,114,000	13,114,000	-	2.71%	1.11%
Mr. Xu Zhixiang	Beneficial owner and beneficiary of trust	205,414,000	11,527,000	216,941,000	29.34%	2.38%	18.31%
Mr. Liu Yongjin	Beneficiary of trust	205,414,000	-	205,414,000	29.34%	-	17.34%
Ms. Feng Ping (Note b)	Beneficial owner and beneficiary of trust	205,414,000	12,070,000	217,484,000	29.34%	2.49%	18.36%
Name of Supervisor							
Mr. Li Mingchun	Beneficiary of trust	205,414,000	-	205,414,000	29.34%	-	17.34%
Ms. Zhou Min	Beneficiary of trust	205,414,000	-	205,414,000	29.34%	-	17.34%

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 Zhendong (a former Director), Mr. Zhang Wanzhong and Ms. Liu Yue (who has been replaced by Mr. Xu Zhixiang since 9 May 2003 as a trustee) declared that they held the shares of Heng Huat Investments Limited (“Heng Huat”) as trustees for the benefits of over 300 employees of JB Software, Beida Jade Bird and Yu Huan 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 Zhendong, Mr. Zhang Wanzhong and Mr. Xu Zhixiang (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. Chu Yuguo and Ms. Feng Ping are interested in the Shares and promoters Shares respectively by virtue of the interests held by their spouses.

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 June 2011.

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 2011, 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 promoters Shares held	Approximate percentage of the Company's total number of issued promoters shares	Approximate percentage of the Company's total issued share capital
1. Peking University	(a)	Through controlled corporations	310,000,000	44.29%	26.16%
2. Beida Asset Management Co., Ltd.	(a)	Through controlled corporations	310,000,000	44.29%	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%	26.16%
4. Beijing Beida Jade Bird Limited	(a), (b)	Directly beneficially owned and through a controlled corporation	200,000,000	28.57%	16.88%
5. Beijing Beida High Technology Investment Co., Ltd.	(a)	Directly beneficially owned	85,000,000	12.14%	7.17%
6. Heng Huat Investments Limited	(d)	Through a controlled corporation	205,414,000	29.34%	17.34%
7. Dynamic Win Assets Limited	(d)	Directly beneficially owned	205,414,000	29.34%	17.34%
8. Mr. Xu Zhendong	(e)	Trustee and beneficiary of trust	205,414,000	29.34%	17.34%
9. Mongolia Energy Corporation Limited	(f)	Through a controlled corporation	84,586,000	12.08%	7.14%
10. New View Venture Limited	(f)	Directly beneficially owned	84,586,000	12.08%	7.14%
11. Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	4.22%

Notes:

- (a) Peking University is taken to be interested in 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.

The Company was notified by Beida High Technology that it entered into a share transfer agreement with Shenzhen Beida Jade Bird Sci-Tech Co., Ltd. on 15 April 2011 pursuant to which Beida High Technology agreed to transfer to the latter 85 million Shares. On the same date, the Company was notified by JB Software that it entered into a share transfer agreement with Grand East (H.K.) Limited pursuant to which JB Software agreed to transfer to the latter 110 million Shares. The transfers are subject to the approval by Beijing Municipal Commission of Commerce of the PRC.

The Company was notified by JB Software and Hang Zhou Beida Jade Bird Sci-Tech Co., Ltd. that the share transfer agreement signed between them on 18 January 2008 regarding transfer of 110 million promoter Shares by the former to the latter was terminated.

- (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 wholly-owned by Heng Huat.
- (e) Mr. Xu Zhendong is taken to be interested in the promoter Shares through his interests as trustee and 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 24.
- (f) The Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.

Save as disclosed above, no person, other than the Directors and Supervisors, whose interests are set out in the section "Directors', Supervisors' and chief 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 June 2011.

COMPETING INTERESTS

As at 30 June 2011, 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.

AUDIT COMMITTEE

The Company established its Audit Committee with terms of reference in compliance with Rules 5.28 to 5.29 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 Xianghao. The two members are Mr. Cai Chuanbing and Mr. Lin Yan. All of them are independent non-executive Directors. Audit Committee had held a meeting to review the Group second quarterly results announcement for the six months ended 30 June 2011 and concluded the meeting with agreement to the contents of the announcement.

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 six months ended 30 June 2011.

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 2011 (2010: Nil).

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

Beijing, the PRC, 11 August 2011

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

“Director(s)”	director(s) of the Company
“Dynamic Win”	Dynamic Win Assets Limited
“EnRay Tek”	EnRay Tek Optoelectronics Technology (Shanghai) Co., Ltd
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IRD”	Inland Revenue Department of the Government of Hong Kong
“JB Software”	Beijing Beida Jade Bird Software System Co., Ltd.
“LED”	Light-emitting diode
“MOCVD”	Metalorganic chemical vapour deposition
“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

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	supervisory committee of the Company
“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.

As at the date of this announcement, Mr. Zhang Wanzhong, Ms. Xueli and Mr. Zhang Yongli are executive directors, Mr. Chu Yuguo, Mr. Xu Zhixiang, Mr. Liu Yongjin and Ms. Feng Ping are non-executive directors and Professor Nan Xianghao, Mr. Cai Chuanbing 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.