



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 2014

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

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

SECOND QUARTERLY RESULTS (UNAUDITED)

The board of the Directors (the “Board”) announced the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2014 together with the unaudited comparative figures for the corresponding period in 2013 as follows:

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

For the six months ended 30 June 2014

	Note	Three months ended 30 June		Six months ended 30 June	
		2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Turnover	3	212,934	155,054	341,022	266,159
Cost of sales and services		(118,913)	(95,542)	(196,257)	(163,464)
Gross profit		94,021	59,512	144,765	102,695
Other gains and income	4	8,834	11,288	9,801	13,609
Distribution costs		(13,131)	(9,070)	(22,840)	(14,168)
Administrative expenses		(28,708)	(22,220)	(51,461)	(41,868)
Other expenses		(14,997)	(6,686)	(23,126)	(10,981)
Profit from operations		46,019	32,824	57,139	49,287
Finance costs	6	(2,596)	(4,768)	(3,974)	(7,104)
Share of (losses)/profits of associates		(1,403)	1,161	(2,924)	745
Share of losses of joint ventures		(796)	(1,078)	(1,679)	(2,340)
Profit before tax		41,224	28,139	48,562	40,588
Income tax expense	7	(8,262)	(4,858)	(11,463)	(8,478)
Profit for the period	8	32,962	23,281	37,099	32,110
Other comprehensive income/(loss) for the period: (after tax and reclassification adjustments)					
Items that may be reclassified subsequently to profit or loss					
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets		–	(5,149)	–	(5,149)
Change in fair value of available-for-sale financial assets		14,452	18,586	9,647	33,351
Exchange differences on translating foreign operations		99	(2,881)	1,774	(3,383)
Share of other comprehensive (loss)/income of joint ventures		(1)	128	(1)	128

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income for the period	14,550	10,684	11,420	24,947
Total comprehensive income for the period	47,512	33,965	48,519	57,057
Profit for the period attributable to:				
Owners of the Company	13,553	12,359	15,079	13,764
Non-controlling interests	19,409	10,922	22,020	18,346
	32,962	23,281	37,099	32,110
Total comprehensive income for the period attributable to:				
Owners of the Company	28,111	23,027	26,503	38,688
Non-controlling interests	19,401	10,938	22,016	18,369
	47,512	33,965	48,519	57,057
	RMB	RMB	RMB	RMB
Earnings per share				
Basic and diluted	1.14 cents	1.04 cents	1.27 cents	1.16 cents

Condensed Consolidated Statement of Financial Position

At 30 June 2014

		30 June 2014	31 December 2013
		(Unaudited)	(Audited)
	<i>Note</i>	RMB'000	RMB'000
Non-current assets			
Fixed assets	<i>11</i>	133,658	129,582
Goodwill		20,265	20,242
Other intangible assets		12,805	10,711
Biological assets		7,790	7,719
Interests in associates		467,842	397,743
Interests in joint ventures		231,852	216,633
Available-for-sale financial assets		178,459	167,841
Deposits paid for potential investments		50,000	49,000
Deferred tax assets		2,577	2,176
		<u>1,105,248</u>	<u>1,001,647</u>
Current assets			
Inventories		124,596	79,612
Trade receivables	<i>12</i>	257,476	168,682
Due from associates		33,498	33,750
Due from related parties		77	77
Prepayments, deposits and other receivables		146,821	87,753
Time deposits with original maturity of more than three months when acquired		1,082	1,069
Cash and cash equivalents		181,173	285,086
		<u>744,723</u>	<u>656,029</u>
Total assets		<u>1,849,971</u>	<u>1,657,676</u>
Current liabilities			
Trade and other payables	<i>13</i>	263,653	166,620
Bank loans		225,378	166,549
Other loans		23,364	17,960
Finance lease payables		96	94
Current tax liabilities		15,268	27,772
		<u>527,759</u>	<u>378,995</u>
Net current assets		<u>216,964</u>	<u>277,034</u>

		30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
Total assets less current liabilities		<u>1,322,212</u>	<u>1,278,681</u>
Non-current liabilities			
Finance lease payables		<u>16</u>	<u>65</u>
		<u>16</u>	<u>65</u>
NET ASSETS		<u>1,322,196</u>	<u>1,278,616</u>
Capital and reserves			
Share capital	<i>14</i>	118,480	118,480
Reserves		<u>936,180</u>	<u>909,853</u>
Equity attributable to owners of the Company		1,054,660	1,028,333
Non-controlling interests		<u>267,536</u>	<u>250,283</u>
TOTAL EQUITY		<u>1,322,196</u>	<u>1,278,616</u>

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2014

	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	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
Balance at 1 January 2013	118,480	377,720	89,840	(69,018)	83,969	10,969	362,418	974,378	162,268	1,136,646
Total comprehensive income for the period	-	-	-	(3,278)	28,202	-	13,764	38,688	18,369	57,057
Transfer	-	-	1,172	-	-	-	(1,172)	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	19,900	19,900
Changes in equity for the period	-	-	1,172	(3,278)	28,202	-	12,592	38,688	38,269	76,957
Balance at 30 June 2013	<u>118,480</u>	<u>377,720</u>	<u>91,012</u>	<u>(72,296)</u>	<u>112,171</u>	<u>10,969</u>	<u>375,010</u>	<u>1,013,066</u>	<u>200,537</u>	<u>1,213,603</u>
Balance at 1 January 2014	118,480	377,720	93,954	(77,707)	91,881	12,552	411,453	1,028,333	250,283	1,278,616
Total comprehensive income for the period	-	-	-	1,777	9,647	-	15,079	26,503	22,016	48,519
Transfer	-	-	5,124	-	-	-	(5,124)	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	15,000	15,000
Change in equity interests in a subsidiary without change in control	-	-	-	27	-	-	(203)	(176)	176	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(227)	(227)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(19,712)	(19,712)
Changes in equity for the period	-	-	5,124	1,804	9,647	-	9,752	26,327	17,253	43,580
Balance at 30 June 2014	<u>118,480</u>	<u>377,720</u>	<u>99,078</u>	<u>(75,903)</u>	<u>101,528</u>	<u>12,552</u>	<u>421,205</u>	<u>1,054,660</u>	<u>267,536</u>	<u>1,322,196</u>

Condensed Consolidated Statement of Cash Flows (Unaudited)*For the six months ended 30 June 2014*

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(92,207)	(56,219)
Net cash used in investing activities	(136,869)	(39,470)
Net cash generated from financing activities	126,660	69
NET DECREASE IN CASH AND CASH EQUIVALENTS	(102,416)	(95,620)
Effect of foreign exchange rate changes	(1,497)	3,291
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	285,086	221,710
CASH AND CASH EQUIVALENTS AT END OF PERIOD	181,173	129,381
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	181,173	129,381
Time deposits	1,082	1,080
	182,255	130,461
Less: Non-pledged time deposits with original maturity of more than three months when acquired	(1,082)	(1,080)
Cash and cash equivalents	181,173	129,381

Note:

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the six months ended 30 June 2014 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

- certain financial instruments classified as available-for-sale; and
- biological assets.

(c) Change in accounting policies

In the current period, the Group has adopted all new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for accounting period beginning on 1 January 2014. The adoption of these new/revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current period and prior periods.

The Group has not applied the new/revised HKFRSs that have been issued but are not yet effective.

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

Save as aforesaid or as otherwise mentioned in this announcement, the accounting policies adopted in preparing these unaudited second quarterly condensed consolidated financial statements are consistent with those used in the Company’s annual audited consolidated financial statements for the year ended 31 December 2013. These condensed consolidated financial statements should be read in conjunction with these mentioned audited financial statements.

3. TURNOVER

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

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Sale of embedded system products and related products	187,897	131,165	298,365	227,686
Rendering of travel and leisure services	21,650	21,347	37,150	34,751
Sales of wine and related products	3,387	2,542	5,507	3,722
	212,934	155,054	341,022	266,159

4. OTHER GAINS AND INCOME

	Three months ended 30 June		Six months ended 30 June	
	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Bank interest income	149	169	446	401
Gain on disposal of available-for-sale financial assets	–	8,246	–	8,246
Gain in disposal of a subsidiary	–	–	344	–
Government grant	5,809	1,210	5,882	1,213
Interest income from convertible bonds	–	706	–	1,415
Interest income from loans to others	–	509	–	1,494
Rental income	306	325	609	642
Others	2,570	123	2,520	198
	<u>8,834</u>	<u>11,288</u>	<u>9,801</u>	<u>13,609</u>

5. SEGMENT INFORMATION

The Group determines its operating segments based on its strategic business units, which are organized by business lines (products and services), that are managed separately by the chief operating decision-maker, the executive directors of the Group. Each strategic unit requires different technology, development and marketing strategies.

The Group has presented the following three reportable segments, which were managed separately based on their business nature:

Manufacture and sale of electronic fire equipment	– research, development, manufacture, marketing and sale of electronic fire alarm systems and related products
Tourism development	– development of travel and leisure business
Investment holding	– holding of fund, debt and equity investment

All other segments represent business activities and operating segments not separately reported, including provision of network security services and production and sales of wine and related products.

The accounting policies of the operating segments are the same as those applied by the Group in the financial statements. Segment assets include all tangible, intangible assets, interests in joint ventures, interests in associates and current assets, with exception of unallocated corporate assets. The measure used for reporting segment profit is “adjusted EBIT” i.e. adjusted earnings before interests and taxes. Segment profits or losses do not include bank interest income, interest income from loans to others, unallocated other gains and income, finance costs and unallocated corporate expenses.

Information about reportable segment profit or loss:

	Manufacture and sale of electronic fire equipment <i>RMB'000</i>	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	Reportable segment total <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2014						
Revenue from external customers	<u>298,169</u>	<u>37,150</u>	<u>–</u>	<u>335,319</u>	<u>5,703</u>	<u>341,022</u>
Segment profit/(loss)	<u>61,093</u>	<u>(3,206)</u>	<u>(6,489)</u>	<u>51,398</u>	<u>3,766</u>	<u>55,164</u>
Bank interest income						446
Unallocated other gains and income						9,011
Finance costs						(3,974)
Unallocated corporate expenses						<u>(12,085)</u>
Profit before tax						<u>48,562</u>
Other segment information:						
Depreciation and amortisation expenses	4,301	6,384	4	10,689	785	11,474
Share of losses of associates	–	(1,468)	(1,456)	(2,924)	–	(2,924)
Share of losses of joint ventures	–	–	(1,679)	(1,679)	–	(1,679)
	<u>–</u>	<u>–</u>	<u>(1,679)</u>	<u>(1,679)</u>	<u>–</u>	<u>(1,679)</u>
Six months ended 30 June 2013						
Revenue from external customers	<u>227,686</u>	<u>34,751</u>	<u>–</u>	<u>262,437</u>	<u>3,722</u>	<u>266,159</u>
Segment profit	<u>46,195</u>	<u>3,874</u>	<u>3,301</u>	<u>53,370</u>	<u>243</u>	<u>53,613</u>
Bank interest income						401
Unallocated other gains and income						3,548
Finance costs						(7,104)
Unallocated corporate expenses						<u>(9,870)</u>
Profit before tax						<u>40,588</u>
Other segment information:						
Depreciation and amortisation expenses	2,736	6,750	12	9,498	749	10,247
Share of profits/(losses) of associates	–	1,268	(523)	745	–	745
Share of losses of joint ventures	–	–	(2,340)	(2,340)	–	(2,340)
	<u>–</u>	<u>–</u>	<u>(2,340)</u>	<u>(2,340)</u>	<u>–</u>	<u>(2,340)</u>

Information about reportable total assets:

	Manufacture and sale of electronic fire equipment	Tourism development	Investment holding	Reportable segment total	All other segments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 30 June 2014						
Segment assets	<u>577,784</u>	<u>372,913</u>	<u>814,966</u>	<u>1,765,663</u>	<u>36,696</u>	1,802,359
Unallocated corporate assets						<u>47,612</u>
Total assets						<u>1,849,971</u>
Segment assets including:						
Interests in associates	–	73,349	394,493	467,842	–	467,842
Interests in joint ventures	–	–	231,852	231,852	–	231,852
Additions to non-current segment assets	<u>7,608</u>	<u>11,020</u>	<u>88,971</u>	<u>107,599</u>	<u>94</u>	<u>107,693</u>
At 31 December 2013						
Segment assets	<u>551,561</u>	<u>315,253</u>	<u>720,133</u>	<u>1,586,947</u>	<u>32,287</u>	1,619,234
Unallocated corporate assets						<u>38,442</u>
Total assets						<u>1,657,676</u>
Segment assets including:						
Interests in associates	–	74,817	322,926	397,743	–	397,743
Interests in joint ventures	–	–	216,633	216,633	–	216,633
Additions to non-current segment assets	<u>26,164</u>	<u>65,148</u>	<u>10,017</u>	<u>101,329</u>	<u>992</u>	<u>102,321</u>

Geographical information:

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's fixed assets, other intangible assets, biological assets, deposits paid for potential investments, goodwill and interests in associates and joint ventures ("non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset, in the case of fixed assets and biological assets, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of deposits paid for potential investments and interests in associates and joint ventures.

	Revenue		Non-current assets	
	Six months ended		30 June	31 December
	30 June	30 June	30 June	31 December
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC except Hong Kong (country of domicile)	335,515	262,437	886,446	793,743
Hong Kong	–	–	1,917	2,780
The United States	5,507	3,722	27,270	27,388
Canada	–	–	8,579	7,719
	341,022	266,159	924,212	831,630

Revenue from major products and services

	Six months ended	
	30 June	30 June
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of embedded system products and related products	298,365	227,686
Rendering of travel and leisure services	37,150	34,751
Sales of wine and related products	5,507	3,722
	341,022	266,159

For the six months ended 30 June 2014 and 2013, revenue from any single external customer does not amount to 10% or more of the Group revenue.

6. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interests on				
– bank loans	3,661	1,676	6,626	3,373
– other loans	107	107	257	250
Net foreign exchange (gain)/losses	(1,172)	2,985	(2,909)	3,481
	2,596	4,768	3,974	7,104

7. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC Enterprise Income Tax				
Provision for the period	8,702	4,858	11,903	8,399
Current tax – Hong Kong Profits Tax				
Provision for the period	–	–	–	79
Deferred tax	(440)	–	(440)	–
	8,262	4,858	11,463	8,478

Hong Kong Profits Tax has been provided at a rate of 16.5% (2013: 16.5%) on the estimated assessable profit of the Group for the six months ended 30 June 2014.

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, 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 two subsidiaries are subject to PRC Enterprise Income Tax at a rate of 15% effective for three years ended 31 December 2012. During the year 2012, the two subsidiaries of the Company renewed the certificates and are continuously subject to the rate of 15% effective for another three years ending 31 December 2015.

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% (2013: 25%).

In 2011, a subsidiary of the Company received an assessment demanding final tax for the year of assessment 2004/2005 from The Hong Kong Inland Revenue Department (the “IRD”). The amount of this assessment was HK\$47,852,000 (equivalent to RMB37,985,000) in which HK\$47,748,000 (equivalent to RMB37,902,000) relating to a claim for gain on disposal of long term investment recognised during the year ended 31 December 2004. On 25 February 2013, the IRD issued a notice to the subsidiary informing that the case has been forwarded to the Appeals Section of the IRD for further processing. No provision was made as at 30 June 2014 as the directors opine that the subsidiary has strong grounds and sufficient evidence to defend the capital nature of the gain. Moreover, the 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 the IRD highly correlates with timing factor because the year of assessment 2004/2005 became statutorily time-barred by the end of March 2011.

Should the assessment regarding claim for the gain be finally judged against the subsidiary, the Group will have a cash outflow of HK\$47,748,000 (equivalent to RMB37,902,000), representing approximately 21% of cash and cash equivalents as at 30 June 2014. There will be no effect on the profit before tax.

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	
	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Amortisation of other intangible assets				
Included in cost of sales and services	1,071	1,071	2,143	2,143
Included in administrative expenses	283	442	513	448
Depreciation	4,872	5,152	10,121	9,302
Loss on disposal of fixed assets	19	37	174	37

9. 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 June 2014 and 2013 are based on profit for the period attributable to owners of the Company of approximately RMB13,553,000 (2013: RMB12,359,000) and the weighted average number of ordinary shares of 1,184,800,000 (2013: 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 2014 and 2013 are based on profit for the period attributable to owners of the Company of approximately RMB15,079,000 (2013: RMB13,764,000) and the weighted average number of ordinary shares of 1,184,800,000 (2013: 1,184,800,000) in issue during the period.

10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: Nil).

11. FIXED ASSETS

During the period, the Group had additions to fixed assets of approximately RMB14,455,000 and disposed of fixed assets with net book value of approximately RMB288,000.

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 invoice date which approximates the respective revenue recognition date is as follows:

	30 June 2014 RMB'000	31 December 2013 RMB'000
0 to 90 days	186,902	148,936
91 to 180 days	35,168	10,855
181 to 365 days	29,425	7,063
Over 365 days	5,981	1,828
	<u>257,476</u>	<u>168,682</u>

13. TRADE AND OTHER PAYABLES

	30 June 2014 RMB'000	31 December 2013 RMB'000
Trade payables	138,372	102,339
Advances from customers	10,956	10,042
Accruals and other payables	39,045	53,028
Due to shareholders	57,386	348
Due to related parties	799	791
Due to associates	17,095	72
	<u>263,653</u>	<u>166,620</u>

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

	30 June 2014 RMB'000	31 December 2013 RMB'000
0 to 90 days	127,086	97,783
91 to 180 days	6,870	510
181 to 365 days	400	15
Over 365 days	4,016	4,031
	<u>138,372</u>	<u>102,339</u>

14. SHARE CAPITAL

	30 June 2014 RMB'000	31 December 2013 RMB'000
Registered, issued and fully paid:		
700,000,000 promoters shares of RMB0.10 each	70,000	70,000
484,800,000 H Shares of RMB0.10 each	48,480	48,480
	<u>118,480</u>	<u>118,480</u>

15. DISPOSAL OF A SUBSIDIARY

During the six months ended 30 June 2014, the Group disposed of its entire 51% equity interests in Shenyang Jade Bird Security System Engineering Technology Company Limited to independent third parties for total consideration of RMB510,000.

RMB'000

Consideration received:

Cash consideration received	<u>510</u>
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Analysis of assets and liabilities over which control was lost:

Fixed assets	140
Deferred tax assets	39
Inventories	294
Trade receivables	2,443
Prepayment, deposits and other receivables	101
Bank and cash balances	66
Trade and other payables	(2,652)
Tax payable	<u>(38)</u>

Net assets disposed of	<u>393</u>
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Gain on disposal of a subsidiary:

Consideration received	510
Net assets disposed of	(393)
Non-controlling interests	<u>227</u>

Gain on disposal of a subsidiary	<u>344</u>
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16. 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:

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of electronic fire alarm systems and related products to related companies controlled by Peking University	23	5,552
Rental expenses for office building charged by		
– a shareholder of the Company	759	246
– Peking University	36	8
	795	254
Interest expenses paid to a non-controlling shareholder of a subsidiary	257	–
Consultancy fees paid to an associate	1,030	–
Rental income from an associate	90	–

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

- (b) During the six months ended 30 June 2014, a subsidiary of the Company and a related company controlled by a shareholder of the Company entered into (a) the software development agreement, pursuant to which the related company was engaged by the subsidiary of the Company to develop the software used for the central management of fire safety systems at various locations at the consideration of RMB1.5 million; and (b) the copyright transfer agreements, pursuant to which the related company transferred to the subsidiary of the Company (i) the ownership of the copyright of the system software designed for monitoring the operations of fire apparatus in the PRC; and (ii) the ownership of the copyright of the long distance fire monitoring system software in the PRC, at the considerations of RMB1.19 million and RMB2.21 million respectively.
- (c) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Short term employee benefits	2,478	2,870
Post-employment benefits	81	118
	2,559	2,988

17. FINANCIAL GUARANTEE

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

At the end of the reporting period, the directors do not consider it probable that a claim will be made against the Group under the guarantee. The maximum liability of the Group at the end of the reporting period under the guarantee issued is the facility drawn down by the associate of RMB200,000,000 (31 December 2013: RMB200,000,000). The Group have not recognised any deferred income in respect of the financial guarantee as its fair value was considered insignificant.

18. CAPITAL COMMITMENTS

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

	30 June 2014 RMB'000	31 December 2013 RMB'000
Contracted but not provided for:		
Fixed assets	15,012	11,923
Capital contribution to an associate	–	73,022
Capital contribution to a potential investment	199,000	–

19. EVENTS AFTER THE REPORTING PERIOD

During the period from 17 July 2014 to 6 August 2014, a subsidiary of the Company disposed of certain of its available-for-sale financial assets in the open market for total consideration of approximately RMB69,898,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overall performance

Benefited from the steady growth of economy in the PRC and the satisfactory performance of the Group's main core businesses, the Group recorded the turnover of approximately RMB341.0 million (2013: RMB266.2 million), increased by approximately RMB74.8 million or 28.1% year-on-year and the profit attributable to owners of the Company of approximately RMB15.1 million (2013: RMB13.8 million) for the six months ended 30 June 2014. Together with the increase in the fair value of the financial assets held by the Group, the total comprehensive income for the period attributable to the owners of the Company was approximately RMB26.5 million. Gross profit reached approximately RMB144.8 million (2013: RMB102.7 million), increased by approximately RMB42.1 million or 41.0% year-on-year. As a result of the continuous expansion of the Group's operations and the consolidation of subsidiaries newly acquired in 2013, the Group's total expenses, including distribution costs, administrative expenses and other expenses was increased by 45.4% to approximately RMB97.4 million (2013: RMB67.0 million). Increase in the interests on bank and other loans included in the finance costs to approximately RMB6.9 million (2013: RMB3.6 million) was mainly due to increase in borrowings used for business expansion.

Manufacture and sale of electronic fire equipment

During the six months ended 30 June 2014, turnover from manufacture and sale of electronic fire equipment business reached approximately RMB298.2 million (2013: RMB227.7 million), representing an increase of 31.0% year-on-year and 87.4% of the Group's total turnover. The continuous and robust growth in the aggregate amount of the contracts and orders was mainly attributable to the concerted effort of the Group and its dealers in expanding the market, continuous brand buildings by conducting promotional campaigns, effective sales management of dealers, launch of new products and extension of sales network across the country.

Tourism development

Turnover from tourism development business of approximately RMB37.1 million was recorded for the six months ended 30 June 2014 (2013: RMB34.5 million), which was increased by 6.9% year-on-year and accounted for 10.9% of the Group's total turnover. The environmental bus service and the property management service operated by the Group in Hengshan Mountain scenic area recorded stable growth. Passengers riding on the environmental bus (on a full fare basis) numbered to approximately 548,000, representing an increase of approximately 3% year-on-year. As compared with the total mountain visitors of approximately 636,000, the proportion of bus-travelers remained at a high level of 86%.

The Group's associate, Changsha Songya Lake Construction Investment Co., Ltd. ("Songya Lake Construction") continued to take part in the construction and land development project of landscape architectures centered on Sonya Lake. On 31 January 2013, the Company, as a guarantor, executed a guarantee in favour of two banks (the "Banks"), in relation to the provision of guarantee by the Company in favour of the Banks to secure obligations of Songya Lake Construction, under the facility agreement in respect of the aggregate principal amount of RMB986,000,000 (the "Guarantee"). The amount of the Guarantee provided by the Company is RMB200,000,000 in respect of the principal amount and the related interest, default interest, compound interest, compensation, default fine, compensation for damages and expenses incurred in enforcing the claims, which exceeded 8% of the Group's total assets value as at 30 June 2014. The unaudited consolidated statement of financial position of Songya Lake Construction and the Group's attributable interests in Sonya Lake Construction based on its unaudited consolidated financial statements for the six months ended 30 June 2014 prepared in accordance with the generally accepted accounting principles in the PRC, adjusted for any differences in accounting policies, are presented below:

	Consolidated statement of financial position RMB'000	Group's attributable interests RMB'000
Assets	1,651,113	461,651
Liabilities	<u>(1,514,761)</u>	<u>(423,527)</u>
Net assets	<u>136,352</u>	<u>38,124</u>

Investment holding

As at 30 June 2014, the Group's investment holding business mainly included investments in two private equity funds (the investment areas of which included private enterprises in the PRC with businesses ranging from the provision of information technology vocational education, insurance business, baby products retailing business, manufacturing and sale of light-emitting diode related products and property development), the equity interest in a listed company in Hong Kong, and the equity interest in a private enterprise in the PRC which is principally engaged in manufacture and sale of light-emitting diode related products.

On 9 January 2014, the Company entered into the investment agreement in relation to the establishment of a joint venture in the PRC which will be engaged in provision of life insurance products and services in the PRC. Pursuant to the investment agreement, the Company has conditionally agreed to subscribe for an aggregate of 200,000,000 joint venture share by a total capital contribution of RMB200,000,000 which is equivalent to 20% of the total registered capital of the joint venture. An ordinary resolution has been passed by the shareholders of the Company on the special general meeting of the Company held on 10 March 2014 to approve the establishment of the joint venture.

Outlook

Looking ahead, the Group will further strengthen the performance of its manufacture and sale of electronic fire equipment business by expanding dealer coverage to solidify market share, upgrading its sales force and management by provision of continuous trainings and producing fire alarm system products that could meet the commonly recognised international standards. The Group has scheduled to launch certain marketable new products in 2014, with a view to broaden its product portfolio and meet the market demands. The Group will continue to put efforts on enhancing brand development, with an aim of becoming a professional developer and manufacturer of fire alarm system products.

The Group's tourism development business will focus on facilitating planning and coordination of tourism project development. By moving on diversification through participating in various tourism projects, the Group will be positioned to be benefited from continuous booming of and abundant opportunities generated from the tourism industry in the PRC.

Material acquisitions and disposals of subsidiaries and affiliated companies

Saved as disclosed herein this section, during the six months ended 30 June 2014, the Group did not effect any material acquisitions and disposals which would be required to be disclosed under the GEM Listing Rules.

Liquidity, financial resources and capital structure

During the six months ended 30 June 2014, the Group's major operations were financed mainly by the internal financial resources and by corporate borrowings. As at 30 June 2014, the Group had cash and bank balances of approximately RMB182.3 million, which were denominated mainly in Renminbi ("RMB"), Hong Kong dollars ("HK\$"), US dollars ("USD") and Canadian dollars ("CAD").

As at 30 June 2014, the Group had net assets of approximately RMB1,322.2 million. The Group had total outstanding borrowings of approximately RMB248.9 million, comprising secured bank loans of approximately RMB220.4 million, unsecured and unguaranteed bank loans of approximately RMB5.0 million, a guaranteed finance lease payables of approximately RMB0.1 million and unguaranteed other loans of approximately RMB23.4 million. The bank loans were denominated in RMB, USD and CAD and bore interest rates ranging from 4.25% per annum to 7.80% per annum. The other loans, which were denominated in RMB and USD, were interest-free.

As at 30 June 2014, the Company's outstanding number of issued promoters shares and H shares of RMB0.10 each were 700,000,000 shares and 480,000,000 shares respectively. There was no change in share capital of the Company during the period.

The gearing ratio of the Group as at 30 June 2014, which is measured by total indebtedness to total equity, was 18.8% (31 December 2013: 14.4%). The increase in gearing ratio was mainly due to the increase in borrowings to cope with business expansion of the Group.

Significant investments held

Saved as disclosed herein this section, for the six months ended 30 June 2014, the Group had no significant investment held.

Future plans for material investments or capital assets

Saved as disclosed herein this section, the Group did not have any significant investment plans as at 30 June 2014.

Contingent liabilities

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

Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 30 June 2014.

Foreign exchange exposure

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

Charge on assets

As at 30 June 2014, the Group's certain fixed assets with carrying amount of approximately RMB55.4 million (31 December 2013: RMB56.6 million), other intangible assets with carrying amount of approximately RMB3.2 million (31 December 2013: RMB5.4 million) and bank deposit and bank balances of approximately RMB0.1 million (31 December 2013: RMB7.6 million) were pledged as securities for the Group's bank loans.

Employees and remuneration policy

The Group had a stable workforce of 1,766 people at the end of the period, up 4% since the end of 2013. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds are contributed on a timely basis.

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

The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB57.1 million for the six months ended 30 June 2014 (2013: RMB42.9 million).

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

As at 30 June 2014, the interests (including interests in shares and short positions) of Directors, supervisors (the “Supervisors”), and chief executives of the Company in the shares (the “Shares”) and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares and underlying shares of the Company

Name	Capacity	Number of ordinary Shares			Approximate percentage of the Company's total number of issued promoters Shares	Approximate percentage of the Company's total number of issued H Shares	Approximate percentage of the Company's total issued share capital
		Interests in promoters Shares (Note)	Interests in H Shares	Total			
Director							
Mr. Xu Zhendong	Beneficial owner and beneficiary of trust	205,414,000	12,070,000	217,484,000	29.34%	2.49%	18.36%
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. 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	Beneficial owner and beneficiary of trust	205,414,000	13,200,000	218,614,000	29.34%	2.72%	18.45%
Mr. Chen Zongbing	Beneficial owner	–	16,209,000	16,209,000	–	3.34%	1.37%
Supervisor							
Mr. Chen Shuxin	Beneficial owner	–	15,480,000	15,480,000	–	3.19%	1.31%
Ms. Zhou Min	Beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	17.34%

Note:

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

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules as at 30 June 2014.

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 2014, the following interests and short positions of the issued share capital of the Company were recorded in the register of interests required to be maintained by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares and underlying shares of the Company

Name of shareholder	Note	Capacity	Number of promoters Shares held	Approximate percentage of the Company's total number of issued promoters Shares	Approximate percentage of the Company's total issued share capital
1. Peking University	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
2. Beida Asset Management Co., Ltd.	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
3. Beijing Beida Jade Bird Software System Co., Ltd.	(a), (b)	Through a controlled corporation	200,000,000	28.57%	16.88%
4. Beijing Beida Jade Bird Limited	(a), (c)	Directly beneficially owned and through a controlled corporation	200,000,000	28.57%	16.88%
5. Shenzhen Beida Jade Bird Sci-Tech Co., Ltd.	(a)	Directly beneficially owned	85,000,000	12.14%	7.17%
6. Grand East (H.K.) Limited		Directly beneficially owned	110,000,000	15.71%	9.28%
7. Heng Huat Investments Limited	(d)	Through a controlled corporation	205,414,000	29.34%	17.34%
8. Dynamic Win Assets Limited	(d)	Directly beneficially owned	205,414,000	29.34%	17.34%
9. Mongolia Energy Corporation Limited	(e)	Through a controlled corporation	84,586,000	12.08%	7.14%
10. New View Venture Limited	(e)	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 16.88% 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 Shenzhen Beida Jade Bird Sci-Tech Co., Ltd. ("SZ Jade Bird"), which is 90% beneficially owned by Beida Jade Bird;
 - (ii) 115 million Shares (representing approximately 9.71% of the Company's total issued share capital) held by Beida Jade Bird itself, which is 46% beneficially owned by JB Software.

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

- (b) The interests of JB Software comprise 200 million Shares held by Beida Jade Bird.
- (c) The interests of Beida Jade Bird comprise 115 million Shares held by it and 85 million Shares held by SZ Jade Bird.
- (d) The Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat.
- (e) The Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (f) Mr. Xu Zhendong is a director of JB Software, Mr. Xu Zhixiang is a director of JB Software, a director and the chief executive officer of Beida Jade Bird and each of Mr. Zhang Wanzhong, Mr. Chen Zongbing and Ms. Zheng Zhong is a vice president of Beida Jade Bird. Mr. Zhang Yongli is the chief financial officer of Beida Jade Bird.

Save as disclosed above, no person, other than the Directors and Supervisors, whose interests are set out in the section "Directors', Supervisors' and chief executives' interests and short positions in shares and underlying shares" above, had registered interests or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO as at 30 June 2014.

COMPETING INTERESTS

As at 30 June 2014, none of the Directors and Supervisors and their respective associates (as defined in the GEM Listing Rules) had interests in a business which competes or may compete with the businesses of the Group, or may have any conflicts of interest with the Group pursuant to the GEM Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Board is of the view that the Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules during the six months ended 30 June 2014.

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 2014.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and required standard of dealings and its code of conduct regarding security transactions by the Directors throughout the six months ended 30 June 2014.

AUDIT COMMITTEE

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

The Audit Committee currently comprises four independent non-executive Directors, namely Mr. Shao Jiulin, Mr. Cai Chuanbing, Mr. Lin Yan and Mr. Li Juncai. Mr. Shao Jiulin is the chairman of the Audit Committee. The Audit Committee had held a meeting to review the Group's second quarterly results report for the six months ended 30 June 2014 and concluded the meeting with agreement to the contents of the second quarterly results report.

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

Beijing, the PRC, 13 August 2014

As at the date of this announcement, Mr. Xu Zhendong, Mr. Xu Zhixiang and Mr. Zhang Wanzhong are executive Directors, Mr. Zhang Yongli, Mr. Chen Zongbing and Ms. Zheng Zhong are non-executive Directors and Mr. Cai Chuanbing, Mr. Li Juncai, Mr. Shao Jiulin and Mr. Lin Yan are independent non-executive Directors.

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