



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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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

**GEM has been positioned as a market designed to accommodate companies to which a high 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.**

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*This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“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.*

## RESULTS

The Board of Directors (“**Board**”) hereby present the audited consolidated results and financial position of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2011, together with the comparative figures for the year ended 31 December 2010, as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2011*

	<i>Note</i>	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>
<b>Turnover</b>	3	<b>369,695</b>	294,880
Cost of sales and services		<b>(215,736)</b>	(164,767)
<b>Gross profit</b>		<b>153,959</b>	130,113
Other gains and income	4	<b>35,453</b>	86,760
Distribution costs		<b>(22,667)</b>	(16,487)
Administrative expenses		<b>(57,839)</b>	(46,099)
Other expenses		<b>(20,647)</b>	(13,145)
Finance costs	6	<b>(12,413)</b>	(5,469)
Change in fair value of derivative financial instruments		<b>(1,857)</b>	(1,222)
Share of losses of associates		<b>(444)</b>	—
Share of losses of jointly controlled entities		<b>(595)</b>	(5,167)
<b>Profit before tax</b>		<b>72,950</b>	129,284
Income tax expense	7	<b>(3,355)</b>	(19,805)
<b>Profit for the year</b>	8	<b>69,595</b>	109,479
<b>Other comprehensive income after tax:</b>			
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets		<b>(2,264)</b>	(70,283)
Change in fair value of available-for-sale financial assets		<b>(38,196)</b>	51,165
Exchange differences on translating foreign operations		<b>(7,951)</b>	(5,485)
Share of other comprehensive income of jointly controlled entities		<b>41,936</b>	(2,762)
Income tax relating to change in fair value of available-for-sale financial assets		<b>566</b>	2,723
<b>Other comprehensive income for the year, net of tax</b>		<b>(5,909)</b>	(24,642)
<b>Total comprehensive income for the year</b>		<b>63,686</b>	84,837
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>36,032</b>	77,742
Non-controlling interests		<b>33,563</b>	31,737
		<b>69,595</b>	109,479
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>30,802</b>	56,369
Non-controlling interests		<b>32,884</b>	28,468
		<b>63,686</b>	84,837
<b>Earnings per share</b>			
Basic and diluted	9	<b>RMB3.0 cents</b>	RMB6.6 cents

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	<i>Note</i>	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		68,285	62,340
Goodwill		7,058	6,125
Other intangible assets		13,928	18,214
Investments in associates		343,850	700
Investments in jointly controlled entities		226,674	167,402
Available-for-sale financial assets		163,199	162,489
		<u>822,994</u>	<u>417,270</u>
<b>Current assets</b>			
Inventories		71,419	42,422
Trade receivables	10	48,306	25,259
Due from a shareholder		—	47
Due from related parties		77	168
Due from associates		33,520	—
Prepayments, deposits and other receivables		26,316	15,456
Derivative financial instruments		84	1,992
Non-pledged time deposits with original maturity of more than three months when acquired		1,091	3,315
Cash and cash equivalents		227,053	643,845
		<u>407,866</u>	<u>732,504</u>
<b>Total assets</b>		<u>1,230,860</u>	<u>1,149,774</u>
<b>Current liabilities</b>			
Trade payables	11	67,878	27,798
Advances from customers		27,620	12,181
Accruals and other payables		46,270	55,375
Due to a shareholder		148	2,109
Due to related parties		4,222	3,337
Due to non-controlling interests		—	11,400
Bank and other loans		39,204	15,000
Current tax liabilities		30,174	78,185
		<u>215,516</u>	<u>205,385</u>
<b>Net current assets</b>		<u>192,350</u>	<u>527,119</u>
<b>Total assets less current liabilities</b>		<u>1,015,344</u>	<u>944,389</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		—	566
		<u>—</u>	<u>566</u>
<b>NET ASSETS</b>		<u>1,015,344</u>	<u>943,823</u>
<b>Capital and reserves</b>			
Share capital		118,480	118,480
Reserves		780,191	753,847
Equity attributable to owners of the Company		898,671	872,327
Non-controlling interests		116,673	71,496
<b>TOTAL EQUITY</b>		<u>1,015,344</u>	<u>943,823</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Investment revaluation reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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 year	—	—	—	(5,485)	(15,888)	77,742	56,369	28,468	84,837
Transfer	—	—	5,026	—	—	(5,026)	—	—	—
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	980	980
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	(26,464)	(26,464)
Changes in equity for the year	—	—	5,026	(5,485)	(15,888)	72,716	56,369	2,984	59,353
At 31 December 2010	<u>118,480</u>	<u>377,720</u>	<u>85,489</u>	<u>(61,098)</u>	<u>49,072</u>	<u>302,664</u>	<u>872,327</u>	<u>71,496</u>	<u>943,823</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 year	—	—	—	(7,951)	2,721	36,032	30,802	32,884	63,686
Transfer	—	—	1,509	—	—	(1,509)	—	—	—
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	200	200
Acquisition of a subsidiary	—	—	—	—	—	—	—	(622)	(622)
Disposal of a subsidiary	—	—	—	—	—	—	—	(343)	(343)
Disposal of interests in a subsidiary without loss of control	—	—	—	—	—	(4,458)	(4,458)	14,058	9,600
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	(1,000)	(1,000)
Changes in equity for the year	—	—	1,509	(7,951)	2,721	30,065	26,344	45,177	71,521
At 31 December 2011	<u>118,480</u>	<u>377,720</u>	<u>86,998</u>	<u>(69,049)</u>	<u>51,793</u>	<u>332,729</u>	<u>898,671</u>	<u>116,673</u>	<u>1,015,344</u>

Notes:

## 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 Company is engaged in the marketing and sale of embedded system products, including network security 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 and investment holding.

## 2. BASIS OF PRESENTATION

### 2.1 Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current year, the Group has adopted all the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for accounting year beginning on 1 January 2011. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current year and prior years.

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 Date for First-time Adopters <sup>1</sup>
Amendments to HKFRS 7	Financial Instruments: Disclosures — Transfer of Financial Assets <sup>1</sup>
Amendments to HKFRS 7	Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities <sup>4</sup>
Amendments to HKAS 1	Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income <sup>3</sup>
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets <sup>2</sup>
Amendments to HKAS 32	Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities <sup>5</sup>
HKFRS 9	Financial Instruments <sup>6</sup>
HKFRS 10	Consolidated Financial Statements <sup>4</sup>
HKFRS 11	Joint Arrangements <sup>4</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>4</sup>
HKFRS 13	Fair Value Measurement <sup>4</sup>
HKAS 19 (2011)	Employee Benefits <sup>4</sup>
HKAS 27 (2011)	Separate Financial Statements <sup>4</sup>
HKAS 28 (2011)	Investments in Associates and Joint Ventures <sup>4</sup>
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>4</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2012.

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2012.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2014.

<sup>6</sup> Effective for annual periods beginning on or after 1 January 2015.

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 financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments and derivatives which are carried at their fair values. The consolidated financial statements are presented in Renminbi (“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.

### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. 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 equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year 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:

	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>
Sales of embedded system products and related products	<b>291,147</b>	221,920
Sales of computer products	—	2,064
Rendering of travel and leisure services	<b>78,548</b>	70,896
	<b>369,695</b>	294,880

### 4. OTHER GAINS AND INCOME

	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>
Bank interest income	<b>3,328</b>	2,124
Gain on disposal of a subsidiary	<b>12,601</b>	—
Gain on bargain purchase of an associate	<b>6,994</b>	—
Gain on disposal of available-for-sale financial assets	<b>3,116</b>	77,244
Interest income from loans to others	<b>274</b>	2,614
Interest income from convertible bonds	<b>2,521</b>	738
Write-back of trade and other payables	<b>4,196</b>	276
Others	<b>2,423</b>	3,764
	<b>35,453</b>	86,760

### 5. SEGMENT INFORMATION

In order to better reflect the current and future activities of the Group, the Group reorganises its segment information during the year. After reorganisation, the Group has five (2010: four) reportable segments as follows:

Manufacture and sale of electronic fire equipment	—	research, development, manufacture, marketing and sale of wireless fire alarm systems and related products
Tourism development	—	development of travel and leisure business
Equity fund investment	—	investment in equity fund
Non-equity fund investment	—	investment in entity other than equity fund
LED business	—	investment in light-emitting diode business
All other segments	—	business activities and operating segments not separately reported, including provision of network security services and sale of computer products

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

Save for the reorganisation of reportable segments and reporting of measure of total assets, the accounting policies of the operating segments are the same as those applied by the Group in the consolidated financial statements. Segment profits or losses do not include bank interest income, interest income from loans to others, unallocated other gains and income, finance costs and unallocated corporate expenses.

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

Corresponding items of segment information for the year ended 31 December 2010 have been restated to reflect the current change.

#### Information about reportable segment profit or loss:

	Revenue from external customers		Segment profit/(loss)	
	2011 <i>RMB'000</i>	2010 <i>RMB'000</i> (restated)	2011 <i>RMB'000</i>	2010 <i>RMB'000</i> (restated)
Manufacture and sale of electronic fire equipment	<b>289,390</b>	217,108	<b>53,110</b>	41,733
Tourism development	<b>78,548</b>	70,896	<b>32,743</b>	56,500
Equity fund investment	—	—	<b>(1,123)</b>	(5,168)
Non-equity fund investment	—	—	<b>(5,168)</b>	55,048
LED business	—	—	<b>(25)</b>	—
All other segments	<b>1,757</b>	6,876	<b>(763)</b>	990
	<b>369,695</b>	294,880	<b>78,774</b>	149,103
Bank interest income			<b>3,328</b>	2,124
Interest income from loans to others			<b>274</b>	2,614
Unallocated other gains and income			<b>25,598</b>	4,040
Finance costs			<b>(12,413)</b>	(5,469)
Unallocated corporate expenses			<b>(22,611)</b>	(23,128)
Profit before tax			<b>72,950</b>	129,284

#### Information about reportable total assets:

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Manufacture and sale of electronic fire equipment	<b>260,270</b>	153,768
Tourism development	<b>176,743</b>	62,972
Equity fund investment	<b>511,460</b>	168,102
Non-equity fund investment	<b>117,951</b>	135,892
LED business	<b>72,090</b>	21,480
All other segments	<b>190</b>	3,712
	<b>1,138,704</b>	545,926
Unallocated corporate assets	<b>92,156</b>	603,848
	<b>1,230,860</b>	1,149,774



**Other segment information:**

	<b>Depreciation and amortisation expenses</b>	
	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i> (restated)
Manufacture and sale of electronic fire equipment	2,637	2,250
Tourism development	10,082	9,276
All other segments	22	34
	<u>12,741</u>	<u>11,560</u>

**Geographical information:**

	<b>Revenue</b>		<b>Non-current assets</b>	
	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>
The People's Republic of China the ("PRC") except Hong Kong	369,695	293,235	731,007	283,337
Hong Kong	—	1,645	91,865	133,933
The United States	—	—	122	—
	<u>369,695</u>	<u>294,880</u>	<u>822,994</u>	<u>417,270</u>

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

**6. FINANCE COSTS**

	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>
Interest on borrowings wholly repayable within five years		
— bank loans	625	545
— other loans	403	251
Net foreign exchange losses	11,385	4,673
	<u>12,413</u>	<u>5,469</u>

## 7. INCOME TAX EXPENSE

	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>
Current tax — PRC Enterprise Income Tax		
Provision for the year	<b>2,907</b>	20,174
Under/(over)-provision in prior year	<b>27</b>	(800)
	<u><b>2,934</b></u>	<u>19,374</u>
Current tax — Hong Kong Profits Tax		
Provision for the year	<b>421</b>	431
	<u><b>3,355</b></u>	<u>19,805</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2010: 16.5%) on the estimated assessable profit of the Group for the year ended 31 December 2011.

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

During the year ended 31 December 2009, the Company and two subsidiaries of the Company 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 two years ended 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 YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Allowance for doubtful other receivables	—	125
Allowance for doubtful trade receivables	2,410	1,815
Allowance for obsolete and slow-moving inventories (included in cost of sales and services)	55	22
Amortisation of other intangible assets		
Included in cost of sales and services	4,286	4,286
Included in administrative expenses	—	8
Auditors' remuneration	1,290	1,180
Cost of inventories sold	176,847	135,520
Depreciation	11,996	10,480
Loss on disposal of property, plant and equipment	127	27
Operating leases charges in respect of land and buildings	4,607	3,569
Reversal of allowance for doubtful other receivables	—	(26)
Reversal of allowance for doubtful trade receivables	(166)	(203)
Reversal of allowance for obsolete and slow-moving inventories (included in cost of sales and services)	—	(14)
Research and development expenditure	17,128	9,529
Staff costs (excluding directors' and supervisors' emoluments)		
Retirement benefits scheme contributions	4,121	2,747
Social security costs	3,787	2,526
Wages, salaries and bonuses	49,373	37,079
	<u>57,281</u>	<u>42,352</u>

Cost of inventories sold includes staff costs and depreciation of approximately RMB11,557,000 (2010: RMB8,522,000) which are included in the amounts disclosed separately above.

## 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 is based on the profit for the year attributable to owners of the Company of RMB36,032,000 (2010: RMB77,742,000) and the weighted average number of ordinary shares of 1,184,800,000 (2010: 1,184,800,000) in issue during the year.

## 10. 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:

	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>
0 to 90 days	<b>39,747</b>	16,458
91 to 180 days	<b>3,464</b>	1,455
181 to 365 days	<b>1,722</b>	2,545
Over 365 days	<b>3,373</b>	4,801
	<u><b>48,306</b></u>	<u>25,259</u>

## 11. TRADE PAYABLES

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

	<b>2011</b> <i>RMB'000</i>	2010 <i>RMB'000</i>
0 to 90 days	<b>65,603</b>	20,704
91 to 180 days	<b>113</b>	2,126
181 to 365 days	<b>—</b>	53
Over 365 days	<b>2,162</b>	4,915
	<u><b>67,878</b></u>	<u>27,798</u>

## DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2011 (2010: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Our overall performance

The following table summarises the performance of the Group for the year ended 31 December 2011:

	<b>2011</b>	2010	<b>Percentage change</b>
	<i>RMB million</i>	<i>RMB million</i>	( <i>%</i> )
Turnover	<b>369.7</b>	294.9	25.4
Cost of sales and services	<b>(215.7)</b>	(164.8)	30.9
Gross profit	<b>154.0</b>	130.1	18.4
Other gains and income	<b>35.5</b>	86.8	(59.1)
Total expenses	<b>(101.2)</b>	(75.7)	33.7
Finance costs	<b>(12.4)</b>	(5.5)	125.5
Net profit	<b>69.6</b>	109.5	(36.4)
Profit for the year attributable to owners of the Company	<b>36.0</b>	77.7	(53.7)
Total comprehensive income for the year attributable to owners of the Company	<b>30.8</b>	56.4	(45.4)
	<i>%</i>	<i>%</i>	
Gross profit margin	<b>41.7</b>	44.1	(2.4)
Net profit margin	<b>18.8</b>	37.1	(18.3)
Gearing ratio (being the ratio of total interest-bearing debts to total equity)	<b>1.4</b>	1.6	(0.2)
Current ratio (being the ratio of current assets to current liabilities)	<b>1.9</b>	3.6	(47.2)
	<i>RMB cents</i>	<i>RMB cents</i>	
Earnings per share	<b>3.0</b>	6.6	(54.5)

Turnover for the year boost 25.4% year-on-year to RMB369.7 million. Gross profit rose 18.4% year-on-year to RMB154.0 million but gross profit margin slid to 41.7% generally due to inflation. Total expenses, including distribution costs, administrative expenses and other expenses increased 33.7% year-on-year to RMB101.2 million. Other gains and income, mainly represented by gain resulting from disposal of the non-wholly-owned subsidiary in Wuhan, the PRC, gain on bargain purchase of an associate and disposal of available-for-sale assets, decreased 59.1% year-on-year to RMB35.5 million. Profit for the year attributable to owners of the Company dropped 53.7% year-on-year to RMB36.0 million despite of a record high turnover because of comparatively much gain arrived from disposal of equity securities last year and inflation. Total comprehensive income for the year attributable to owners of the Company also dropped by 45.4% year-on-year to RMB30.8 million which reflects decline in net profit and unfavourable change in fair values of the Group's available-for-sale financial assets.

### Our segmental performance

The performance of the 5 (2010: 4) segments are summarised as follows:

#### *Segment revenue*

	<b>2011</b> <i>RMB million</i>	<b>Percentage of total segment revenue</b> %	2010 <i>RMB million</i> (restated)	Year- on-year percentage change %
Manufacture and sale of electronic fire equipment	<b>289.4</b>	<b>78.3</b>	217.1	33.3
Tourism development	<b>78.5</b>	<b>21.2</b>	70.9	10.7
Equity fund investment	—	—	—	—
Non-equity fund investment	—	—	—	—
LED business	—	—	—	—
All other segments	<b>1.8</b>	<b>0.5</b>	6.9	(73.9)
	<hr/> <b>369.7</b> <hr/>	<hr/> <b>100.0</b> <hr/>	<hr/> 294.9 <hr/>	
Total				25.4

*Segment profit/(loss)*

	2011 <i>RMB million</i>	Percentage of total segment profit %	2010 <i>RMB million</i> (restated)	Year- on-year percentage change %
Manufacture and sale of electronic fire equipment	<b>53.1</b>	<b>67.4</b>	41.7	27.3
Tourism development	<b>32.7</b>	<b>41.5</b>	56.5	(42.1)
Equity fund investment	<b>(1.1)</b>	<b>(1.4)</b>	(5.1)	(78.4)
Non-equity fund investment	<b>(5.2)</b>	<b>(6.6)</b>	55.0	(109.5)
LED business	—	—	—	—
All other segments	<b>(0.7)</b>	<b>(0.9)</b>	1.0	(170.0)
	<hr/> <b>78.8</b> <hr/>	<hr/> <b>100.0</b> <hr/>	<hr/> 149.1 <hr/>	(47.1)
Total	<b>78.8</b>	<b>100.0</b>	149.1	(47.1)

*Manufacture and sale of electronic fire equipment*

Manufacture and sale of electronic fire equipment remains the most profitable business of the Group. It accounted for 78.3% and 67.4% respectively of the Group's total turnover and segment profit for the year. Leverage on customer trust, rising reputation and continual effort of dealers in exploring market, market share further expands during the year. Turnover soared 33.3% year-on-year to RMB289.4 million in 2011. Among all sites, Beijing showed the most remarkable growth and topped the chart in terms of turnover. Production volume of detectors, being the major product among others, increased tremendously, keeping pace of upsurge in demand and need for upgrade. More stocks were kept at year end as a precaution measure giving an early Chinese Lunar Year in 2012. To cope with the growth pace, production capacity has been expanded with more machines equipped. Workforce has also been expanded with more high calibre staff employed.

*Tourism development*

Provision of environmental bus service in Hengshan is the second largest business segment. It accounted for 21.2% and 41.5% respectively of the Group's total turnover and segment profit for the year. Turnover grew steadily by 10.7% year-on-year to RMB78.5 million but segment profit dropped 42.1% year-on-year to RMB32.7 million mainly due to the fact that most of the interests in Zhang Jia Jie Tourism Development Co., Ltd. was disposed of at a gain last year, leaving minority interest only which was disposed of at a gain early this year. Being dominated by pilgrims, 1.5 million arrivals visited Hengshan in 2011, up 25.0% year-on-year. Number of arrivals climbed to the top in the third quarter. Service utilisation rate dropped slightly by 3% to 92% as increasing number of student visitors whom were attracted by benefits offered by local attractions chose to visit on foot.

Property management section started operation in 2011 but its contribution is unobvious.

Changsha Songya Lake Construction Investment Co., Ltd. (“Songya Lake Construction”) was acquired by the Group in 2011 and became an associate. Songya Lake Construction is responsible for the construction of landscape architectures centered on Songya Lake located at Changsha County, Hunan Province (“Chenghu Project”) as well as the primary land development of a piece of land with a total area of approximately 5,000 mu around the lake (“Huanhu Project”).

During the year, Songya Lake Construction completed structural design of Chenghu Project. Water had been pumped into the lake. Demolition and relocation process of Huanhu Project started. Songya Lake Construction had also applied for certain portion of the land from the authority to continue the development process.

#### *Equity fund investment*

The segment consists of two equity funds at present.

#### SBI & BDJB China Fund L.P. (“SBI China”)

SBI China currently invests in three areas, being IT vocational education, insurance and LED. In the fourth quarter of the year, it agreed to invest in a Shanghai based baby product retailer.

The investee in the education sector was elected one of the top ten brands in the market by certain reputable China portals during the year. However, its performance was not well. Several unprofitable centers were closed during the year. Insurance sector was not performing well too as reflected from its revenue drop and decrease in market share. Further improvement is necessary. Details of the LED business are set out in the section “LED business — Enraytek Optoelectronics Co., Ltd. (“Enraytek”)” below.

#### Beijing Jade Bird Hengsheng Investment Fund (Limited Partnership) (“HS Fund”)

After established early in the year, general partner of HS Fund had studied several proposals and HS Fund finally decided to take part in a property development project. The project includes construction of certain luxury villas in Beijing and is now halfway through the development process.

#### *Non-equity fund investment*

Segment profit dropped obviously as part of the Group’s investment in Semiconductor Manufacturing International Corporation (“SMIC”) was sold on market at a gain last year while no such disposal was made in 2011.

According to the latest information available, SMIC recorded revenue of USD289.6 million for the fourth quarter of 2011, down 5.6% as compared to the third quarter and down 29.1% year-on-year. Gross loss was 7.4% in the fourth quarter as compared to gross margin of 1.4% in the previous quarter primarily due to revenue decrease, depreciation increase and settlement of pending arbitration claims and counterclaims with a dynamic random-access memory



integrated circuit manufacturer. Net cash flow from operations decreased to USD80.8 million in the fourth quarter from USD160.9 million in the third quarter mainly due to net losses. Loss attributable to ordinary shareholders increased from USD88.1 million in the third quarter to USD165.6 million in the fourth quarter.

SMIC continued to emphasise on production improvement and customer service. China revenue continues to grow along with the country's semiconductor market. In 2011, China fabless wafer revenue grew 16% as compared to 2010, equivalent to 30.6% of total wafer revenue in the year. SMIC began early risk production of 45/40 nanometers. 45/40nm service contributed 0.3% of total revenue in the fourth quarter of 2011.

#### *LED business — Enraytek Optoelectronics Co., Ltd. (“Enraytek”)*

The Group completed capital injection into Enraytek during the year. Six metalorganic chemical vapour deposition machines were installed and tested. The first operational green LED was lighted successfully in June 2011 while a 50V high voltage gallium nitride blue LED wafer chip was tested successfully in November. LED chip sample has been sent to several potential customers for testing.

Construction of the factory completed and Enraytek started test-run in September 2011. Mass production is yet to start.

#### **Our major events during the year and subsequent to the year end**

The Group and two investors jointly established a RMB1 billion HS Fund in the form of a limited partnership for a period of ten years in January 2011. The Group is attributable to 40% of the fund. HS Fund targets to invest in private PRC enterprises or growing entities in return for capital gain.

The Group disposed of its remaining interests in Zhang Jia Jie Tourism Development Co., Ltd. in January 2011 at a gain.

Two shareholders notified the Company about their changes in shareholdings in the Company in April 2011. Beida High Technology Investment Co., Ltd. agreed to transfer its entire 7.17% interests to a connected person of the Company while Beijing Beida Jade Bird Software System Co., Ltd. agreed to transfer its entire 9.28% interests to an independent third party. After approved by Beijing Municipal Commission of Commerce of the PRC, Peking University being the beneficial owner of the two transferors reduced its interests in the Company from 26.16% to 16.88% as a result of the transfers.

The Company disposed of its entire interests in Wuhan Beida Jade Bird Netsoft Co., Ltd. at a gain during the year because the latter contributed limited profits to the Group in the past three years. Directors believe it is much suitable to utilise the released resource in other areas.

Chuanqi Tourism Investment Co., Ltd. (“Chuanqi Tourism”), a direct non-wholly-owned subsidiary of the Company, acquired 46.6% equity interests in Songya Lake Construction from a connected person of the Company for a consideration of RMB53 million in July 2011 and agreed to provide a shareholder loan capped at RMB40 million to Songya Lake Construction for its working capital.

The one-year disposal mandate regarding conditional disposal of around 243 million ordinary shares of SMIC lapsed after June 2011. The Group sold no SMIC shares during the mandate period.

The Company agreed to acquire 75% equity interests in PWC Winery, LLC (“PWC Winery”), a company incorporated in the United States, through a wholly-owned subsidiary for a consideration of USD2.93 million in November 2011. PWC Winery operates the Winery at la Grange at the State of Virginia, the United States. Acquisition completed subsequent to year end.

Subsequent to the year end, Chuanqi Tourism accompanied 吉林省長白山保護開發區管理委員會 (Jilin Province Changbai Mountain Development Management Committee) to develop 長白山文化創意產業園 (Changbai Mountain Culture Creative Park) by way of establishment of an entity with 吉林省長白山開發建設(集團)有限公司 (Jilin Province Changbai Mountain Development and Construction Limited, “CMDC”). Chuanqi Tourism and CMDC will respectively own 70% and 30% of the registered capital of it. The Park includes, among others, 4-dimensional cinemas, theme restaurants and travel product shops and resorts.

### **Our liquidity and financial resources**

Owing to increase in receivables and inventories, Group net assets rose 7.6% year-on-year to RMB1,015.3 million at the end of 2011. Current ratio fell to 1.9 as the Group further injected capital into HS Fund and acquired Songya Lake Construction during the year. Gearing ratio reduced to 1.4% as part of other loan was repaid and the year-end capital and reserve balances were higher than last year.

### **Our 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 comparatively strong. In addition, turnover and most of our production costs are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group continues to monitor its exposure closely and will take measures to lower the foreign currency risk when necessary.

### **Our capital commitments**

The Group had capital commitments to a jointly controlled entity, an associate and certain property, plant and equipment totaled approximately RMB230.0 million at the end of the year.

### **Our people**

The Group had a workforce of 1,139 people at the end of the year, up 32.8% year-on-year which is in line with the growth of the Group. Among the staff, over 40% are graduates or above. The Group strictly complies with applicable labour laws 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.

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

## **Outlook**

Looking ahead, the Group will strengthen its core businesses and simultaneously continue exploring investment opportunities.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

### **Emphasis of matter**

Without qualifying our opinion, we draw attention to note 34 to the financial statements. During the year, 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 amount of this assessment was approximately HK\$47,852,000 (equivalent to RMB38,793,000) in which approximately HK\$47,748,000 (equivalent to RMB38,709,000) relating to a claim for gain on disposal of long term investment recognised during the year ended 31 December 2004. Since responding to the tax claim is ongoing, the outcome of the tax claim cannot be readily ascertained up to the date of this report. Should the assessment regarding claim for the gain be finally judged against the subsidiary, the Group will have a cash outflow of approximately HK\$47,748,000 (equivalent to RMB38,709,000), representing approximately 17% of the cash and cash equivalents as at 31 December 2011.

### **EXTRACT OF NOTE 34 "CONTINGENT LIABILITY" TO THE FINANCIAL STATEMENTS**

During the year, a subsidiary of the Company received an assessment demanding final tax for the year of assessment 2004/2005 from the The Hong Kong Inland Revenue Department (the "IRD"). The amount of this assessment was HK\$47,852,000 (equivalent to RMB38,793,000) in which HK\$47,748,000 (equivalent to RMB38,709,000) relating to a claim for gain on disposal of long term investment recognised during the year ended 31 December 2004. No provision was made as at 31 December 2011 as responding to the tax claim is ongoing and 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 RMB38,709,000), representing approximately 17% of cash and cash equivalents as at 31 December 2011. There will be no effect on the profit before tax.

## **COMPETING INTERESTS**

As at 31 December 2011, none of the Directors and supervisors of the Company 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 and 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's annual results for the year ended 31 December 2011 and concluded the meeting with agreement to the contents of this 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 year.

## **PURCHASE, REDEMPTION OR SALE OF 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 year ended 31 December 2011 (2010: Nil).

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

Beijing, the PRC, 21 March 2012

*As at the date of this announcement, Mr. Zhang Wanzhong, Ms. Xue Li 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 day of its posting.*