



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 2012

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

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

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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.

RESULTS

The board of Directors (the “Board”) announces the annual consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2012, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Note	2012 RMB'000	2011 RMB'000
Turnover	4	537,753	369,695
Cost of sales and services		<u>(287,507)</u>	<u>(215,736)</u>
Gross profit		250,246	153,959
Other gains and income	5	6,664	35,453
Distribution costs		(35,879)	(22,667)
Administrative expenses		(83,811)	(57,839)
Other expenses		(26,435)	(20,647)
Finance costs	7	(2,745)	(12,413)
Change in fair value of derivative financial instruments		(85)	(1,857)
Share of losses of associates		(5,373)	(444)
Share of losses of jointly controlled entities		(5,198)	(595)
Profit before tax		97,384	72,950
Income tax expense	8	(8,595)	(3,355)
Profit for the year	9	88,789	69,595
Other comprehensive income after tax:			
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets		–	(2,264)
Change in fair value of available-for-sale financial assets		8,489	(38,196)
Exchange differences on translating foreign operations		(62)	(7,951)
Share of other comprehensive income of jointly controlled entities		23,769	41,936
Income tax relating to change in fair value of available-for-sale financial assets		–	566
Other comprehensive income for the year, net of tax		32,196	(5,909)
Total comprehensive income for the year		120,985	63,686
Profit for the year attributable to:			
Owners of the Company		32,531	36,032
Non-controlling interests		56,258	33,563
		88,789	69,595
Total comprehensive income for the year attributable to:			
Owners of the Company		64,738	30,802
Non-controlling interests		56,247	32,884
		120,985	63,686
Earnings per share			
Basic and diluted	10	RMB 2.7 cents	RMB 3.0 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Note	2012 RMB'000	2011 RMB'000
Non-current assets			
Property, plant and equipment		101,964	68,285
Investment property		8,436	–
Goodwill		9,821	7,058
Other intangible assets		16,221	13,928
Biological assets		7,269	–
Investments in associates		381,490	343,850
Investments in jointly controlled entities		246,967	226,674
Available-for-sale financial assets		152,964	163,199
Deferred tax assets		1,429	–
		<u>926,561</u>	<u>822,994</u>
Current assets			
Inventories		72,887	71,419
Trade receivables	12	84,682	48,306
Due from related parties		77	77
Due from associates		33,568	33,520
Prepayments, deposits and other receivables		82,209	26,316
Available-for-sale financial assets		20,242	–
Derivative financial instruments		–	84
Time deposits with original maturity of more than three months when acquired		1,166	1,091
Cash and cash equivalents		221,710	227,053
		<u>516,541</u>	<u>407,866</u>
Total assets		<u>1,443,102</u>	<u>1,230,860</u>
Current liabilities			
Trade payables	13	65,823	67,878
Advances from customers		20,945	27,620
Accruals and other payables		55,205	46,270
Due to a shareholder		268	148
Due to related parties		850	4,222
Bank and other loans		138,510	39,204
Finance lease payables		102	–
Current tax liabilities		24,587	30,174
		<u>306,290</u>	<u>215,516</u>
Net current assets		<u>210,251</u>	<u>192,350</u>
Total assets less current liabilities		<u>1,136,812</u>	<u>1,015,344</u>
Non-current liabilities			
Finance lease payables		166	–
		<u>166</u>	<u>–</u>
NET ASSETS		<u>1,136,646</u>	<u>1,015,344</u>
Capital and reserves			
Share capital		118,480	118,480
Reserves		855,898	780,191
		<u>974,378</u>	<u>898,671</u>
Equity attributable to owners of the Company		974,378	898,671
Non-controlling interests		162,268	116,673
TOTAL EQUITY		<u>1,136,646</u>	<u>1,015,344</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	Attributable to owners of the Company									
	Share capital RMB'000	Capital reserve RMB'000	Reserve funds RMB'000	Equity-settled share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Investment revaluation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
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>–</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>
At 1 January 2012	118,480	377,720	86,998	–	(69,049)	51,793	332,729	898,671	116,673	1,015,344
Total comprehensive income for the year	–	–	–	–	31	32,176	32,531	64,738	56,247	120,985
Transfer	–	–	2,842	–	–	–	(2,842)	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	5,743	5,743
Disposal of a subsidiary	–	–	–	–	–	–	–	–	(178)	(178)
Equity-settled share-based payments	–	–	–	10,969	–	–	–	10,969	–	10,969
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(16,217)	(16,217)
Changes in equity for the year	–	–	2,842	10,969	31	32,176	29,689	75,707	45,595	121,302
At 31 December 2012	<u>118,480</u>	<u>377,720</u>	<u>89,840</u>	<u>10,969</u>	<u>(69,018)</u>	<u>83,969</u>	<u>362,418</u>	<u>974,378</u>	<u>162,268</u>	<u>1,136,646</u>

Notes:

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 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 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. 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 its accounting year beginning on 1 January 2012. 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:

Improvements to HKFRSs Amendments to HKFRS 1	Annual Improvements to HKFRSs 2009-2011 Cycle ² First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans ²
Amendments to HKFRS 7	Financial Instruments : Disclosures – Offsetting Financial Assets and Financial Liabilities ²
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 27(2011) Amendments to HKAS 1	Investment Entities ³ Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income ¹
Amendments to HKAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities ³
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HKAS 19 (2011)	Employee Benefits ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

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

² Effective for annual periods beginning on or after 1 January 2013.

³ Effective for annual periods beginning on or after 1 January 2014.

⁴ 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.

3. 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 disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments, derivatives and biological assets which are carried at their fair values.

4. 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:

	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of embedded system products and related products	432,393	291,147
Rendering of travel and leisure services	85,068	78,548
Sales of wine and related products	10,183	–
Management fee income	10,109	–
	<u>537,753</u>	<u>369,695</u>

5. OTHER GAINS AND INCOME

	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	828	3,328
Gain on disposal of a subsidiary	86	12,601
Gain on bargain purchase of an associate	–	6,994
Gain on disposal of available-for-sale financial assets	–	3,116
Gain from changes in fair value		
less cost to sell of biological assets	813	–
Interest income from loans to others	–	274
Interest income from convertible bonds	2,704	2,521
Rental income	633	–
Write-back of trade and other payables	1,592	4,196
Others	8	2,423
	<u>6,664</u>	<u>35,453</u>

6. SEGMENT INFORMATION

The Group determines its operating segments based on its strategic business units that are managed separately by the chief operating decision-maker. Each strategic unit requires different technology, development and marketing strategies.

During the year, the Group had four 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	–	business activities and operating segments not separately reported, including provision of network security services and production and sales of wine and related products

In 2011, the Group had three separate reportable segments for its investment holding business, namely equity fund investment, non-equity fund investment and LED business, which were categorised as a single reportable segment, namely investment holding, in 2012. The management considered that the change in reportable segments could better reflect the nature and financial effects of the business activities in which the Group engages. Corresponding information for the year ended 31 December 2011 has been restated accordingly.

Save for the reorganisation of its investment holding business, 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 2011 have been restated to reflect the current change.

Information about reportable segment profit or loss:

	Manufacture and sale of electronic fire equipment RMB'000	Tourism development RMB'000	Investment holding RMB'000	All other segments RMB'000	Total RMB'000
Year ended 31 December 2012					
Revenue from external customers	<u>432,007</u>	<u>85,068</u>	<u>10,109</u>	<u>10,569</u>	<u>537,753</u>
Segment profit/(loss)	<u>98,952</u>	<u>24,554</u>	<u>(5,976)</u>	<u>(2,567)</u>	<u>114,963</u>
Bank interest income					828
Unallocated other gains and income					2,282
Finance costs					(2,745)
Unallocated corporate expenses					<u>(17,944)</u>
Profit before tax					<u>97,384</u>
Other segment information:					
Depreciation and amortisation expenses	3,531	12,459	21	1,631	17,642
Share of profits/(losses) of associates	–	489	(5,862)	–	(5,373)
Share of losses of jointly controlled entities	<u>–</u>	<u>–</u>	<u>(5,198)</u>	<u>–</u>	<u>(5,198)</u>
Year ended 31 December 2011					
Revenue from external customers	<u>289,390</u>	<u>78,548</u>	<u>–</u>	<u>1,757</u>	<u>369,695</u>
Segment profit/(loss), as restated	<u>53,110</u>	<u>32,743</u>	<u>(6,316)</u>	<u>(763)</u>	<u>78,774</u>
Bank interest income					3,328
Interest income from loans to others					274
Unallocated other gains and income					25,598
Finance costs					(12,413)
Unallocated corporate expenses					<u>(22,611)</u>
Profit before tax					<u>72,950</u>
Other segment information:					
Depreciation and amortisation expenses	2,637	10,082	–	22	12,741
Share of profits/(losses) of associates	–	110	(554)	–	(444)
Share of losses of jointly controlled entities	<u>–</u>	<u>–</u>	<u>(595)</u>	<u>–</u>	<u>(595)</u>

Information about reportable segment assets:

	Manufacture and sale of electronic fire equipment RMB'000	Tourism development RMB'000	Investment holding RMB'000	All other segments RMB'000	Total RMB'000
At 31 December 2012					
Segment assets	<u>348,084</u>	<u>254,537</u>	<u>753,222</u>	<u>39,027</u>	<u>1,394,870</u>
Unallocated corporate assets					<u>48,232</u>
Total assets					<u>1,443,102</u>
Segment assets including:					
Investments in associates	–	60,593	320,897	–	381,490
Investments in jointly controlled entities	–	–	246,967	–	246,967
Additions to non-current assets (other than deferred tax assets)	<u>35,852</u>	<u>10,346</u>	<u>45,969</u>	<u>29,326</u>	<u>121,493</u>
At 31 December 2011					
Segment assets, as restated	<u>260,270</u>	<u>176,743</u>	<u>701,501</u>	<u>190</u>	<u>1,138,704</u>
Unallocated corporate assets					<u>92,156</u>
Total assets					<u>1,230,860</u>
Segment assets including:					
Investments in associates	–	60,104	283,746	–	343,850
Investments in jointly controlled entities	–	–	226,674	–	226,674
Additions to non-current assets	<u>7,469</u>	<u>62,734</u>	<u>368,895</u>	<u>2</u>	<u>439,100</u>

Geographical information:

	<u>Revenue</u>		<u>Non-current assets</u>	
	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
PRC except Hong Kong	530,021	369,695	811,616	731,007
Hong Kong	–	–	75,926	91,865
The United States	7,732	–	28,286	122
Canada	–	–	9,304	–
	<u>537,753</u>	<u>369,695</u>	<u>925,132</u>	<u>822,994</u>

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

7. FINANCE COSTS

	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank loans		
– Wholly repayable within five years	1,236	625
– Not wholly repayable within five years	135	–
Interest on other loans wholly repayable within five years	718	403
Net foreign exchange losses	656	11,385
	<u>2,745</u>	<u>12,413</u>

8. INCOME TAX EXPENSE

	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC Enterprise Income Tax		
Provision for the year	11,749	2,907
(Over)/under-provision in prior year	(1,687)	27
	<u>10,062</u>	<u>2,934</u>
Current tax – Hong Kong Profits Tax		
Provision for the year	161	421
Over-provision in prior year	(199)	–
	<u>(38)</u>	<u>421</u>
Deferred tax	<u>(1,429)</u>	<u>–</u>
	<u>8,595</u>	<u>3,355</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2011: 16.5%) on the estimated assessable profit of the Group for the year ended 31 December 2012.

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 three years ended 31 December 2012. During the year, one of the subsidiaries of the Company renewed the certificate and is 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% (2011: 25%).

9. PROFIT FOR THE YEAR

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

	2012	2011
	RMB'000	RMB'000
Allowance for doubtful other receivables	530	–
Allowance for doubtful trade receivables	–	2,410
Allowance for obsolete and slow-moving inventories (included in cost of sales and services)	428	55
Amortisation of other intangible assets Included in cost of sales and services	4,295	4,286
Included in administrative expenses	605	–
Auditors' remuneration	1,320	1,290
Cost of inventories sold	243,936	176,847
Depreciation	16,209	11,996
Direct operating expenses of investment property that generate rental income	487	–
Loss on disposal of property, plant and equipment	51	127
Operating leases charges in respect of land and buildings	6,835	4,607
Reversal of allowance for doubtful trade receivables	(1,612)	(166)
Research and development expenditure	26,824	17,128
Staff costs (excluding directors' and supervisors' emoluments):		
Equity-settled share-based payments	2,243	–
Retirement benefits scheme contributions	5,920	4,121
Social security costs	5,433	3,787
Wages, salaries and bonuses	65,792	49,373
	79,388	57,281

Cost of inventories sold includes staff costs and depreciation of approximately RMB17,200,000 (2011: RMB11,557,000) which are included in the amounts disclosed separately above.

10. 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 RMB32,531,000 (2011: RMB36,032,000) and the weighted average number of ordinary shares of 1,184,800,000 (2011: 1,184,800,000) in issue during the year.

11. DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2012 (2011: Nil).

12. TRADE RECEIVABLES

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

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

	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	68,384	39,747
91 to 180 days	10,720	3,464
181 to 365 days	3,116	1,722
Over 365 days	2,462	3,373
	84,682	48,306

13. TRADE PAYABLES

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

	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	64,559	65,603
91 to 180 days	25	113
181 to 365 days	37	–
Over 365 days	1,202	2,162
	<u>65,823</u>	<u>67,878</u>

SUMMARY OF INDEPENDENT AUDITOR'S REPORT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

The independent auditor's report of the Group's consolidated financial statements for the year ended 31 December 2012 contains a modified auditor's opinion:

“Emphasis of matter

Without qualifying our opinion, we draw attention to note 38 to the financial statements. In prior 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 “IRD”). The amount of this assessment was approximately HK\$47,852,000 (equivalent to RMB38,798,000) in which approximately HK\$47,748,000 (equivalent to RMB38,714,000) 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. 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 RMB38,714,000), representing approximately 17% of the cash and cash equivalents as at 31 December 2012.”

Extract of note 38 “Contingent Liability” to the financial statements is as follows:

In prior year, a subsidiary of the Company received an assessment demanding final tax for the year of assessment 2004/2005 from the IRD. The amount of this assessment was HK\$47,852,000 (equivalent to RMB38,798,000) in which HK\$47,748,000 (equivalent to RMB38,714,000) 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 31 December 2012 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 RMB38,714,000), representing approximately 17% of cash and cash equivalents as at 31 December 2012. There will be no effect on the profit before tax.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

Turnover totalled RMB537.8 million for the year ended 31 December 2012, increased by approximately RMB168.1 million or 45.5% year-on-year. Gross profit reached RMB250.2 million, increased by approximately RMB96.3 million or 62.5% year-on-year. With the backdrop of continuing good performance of core business especially the astounding growth in manufacture and sale of electronic fire equipment business, distribution costs soared approximately RMB13.2 million or 58.3% year-on-year while administrative expenses and other expenses rose approximately RMB31.8 million or 40.5% in aggregate because the Group intensified market promotion and product development obviously. During the reporting period, the profit attributable to owners of the Company was decreased by approximately RMB3.5 million or 9.7% year-on-year to RMB32.5 million despite of an increase in turnover, mainly because of the increase in losses of associates and jointly controlled entities of the Company and the recognition of equity-settled share-based payment expenses during the year. Together with the increase in the fair value of the available-for-sale financial assets of a jointly controlled entity of the Group and other comprehensive income during the year under review, the total comprehensive income for the year attributable to owners of the Company was RMB64.7 million (2011: RMB30.8 million).

Manufacture and sale of electronic fire equipment

Turnover boosted 49.3% year-on-year and reached RMB432.0 million for the year under review (2011: RMB289.4 million), which accounted for 80.3% of the Group's total turnover. Uplift in sales relies not only on strong demand but also the Group and the dealers' joint efforts in exploring market opportunities. The Group conducted promotional campaigns in a number of cities, including Dongguan, Suzhou, Langfang and Zhangjiajie, to attract a new customer base and further increase the market share. The Group also continued to strengthen its R&D capacity in order to shorten the development cycle of products with new generation of technology. Benefited from continued brand buildings, excellent after-sales service and high product quality, customer loyalty to the Group remained solid.

Tourism development

The Group recorded steady turnover of RMB85.1 million from its tourism development business during the year ended 31 December 2012 (2011: RMB78.5 million), which represented 15.8% of the Group's total turnover. Approximately 1.59 million arrivals, of which most of them being pilgrims, visited Hengshan in 2012, up 6.0% year-on-year. Service utilisation rate of the Group's environmental bus service remained steady at 90% during the year under review. The performance was affected by cold weather in Hengshan during the first quarter of 2012.

The Group also continued to diversify the tourism development business through participating in relating projects. On 16 January 2012, the Group entered into an investment framework agreement in relation to formation of a non-wholly owned subsidiary in the PRC for the purpose of joint development of Changbai Mountain Culture Creative Park located at Chibei District, Jilin Province, the PRC, including, among others, 4-dimensional cinema(s), theme restaurant(s) and travel product shop(s) and resort(s). Subsequent to the reporting year end, on 25 January 2013, a formal cooperation agreement was entered into.

Investment holding

SBI & BDJB China Fund, L. P. ("SBI China")

SBI China currently invested in four sectors, being information technology vocational education, insurance, baby products retailing and LED business.

During the year under review, the investee in the information technology vocational education sector had a higher net profit margin when compared to last year. The investee in the insurance sector achieved a steady growth in turnover from its underwriting business. The baby product sector faced stiff market competition. Growth slowed down and the baby product sector recorded an overall loss for the year ended 31 December 2012. Details of the LED business are set out in the section "Enraytek Optoelectronics Technology (Shanghai) Co. Ltd. ("Enraytek")" below.

Beijing Jade Bird Hengsheng Investment Fund (Limited Partnership) ("HS Fund")

HS Fund currently participated in several property development projects, including construction of certain luxurious residential apartments and commercial buildings in Beijing.

Semiconductor Manufacturing International Corporation (“SMIC”)

According to the latest information available, SMIC recorded revenue of USD485.9 million for the fourth quarter of 2012, up 5.4% as compared to the third quarter of 2012 and up by 67.8% year-on-year. Net cash flow from operations increased to USD189.8 million in the fourth quarter of 2012 from USD119.0 million in the previous quarter. Profit attributable to ordinary shareholders increased to USD39.7 million in the fourth quarter of 2012, compared to USD12.0 million in the third quarter of 2012.

Enraytek Optoelectronics Technology (Shanghai) Co. Ltd. (“Enraytek”)

During the year under review, Enraytek newly appointed a sales director who has extensive experience in the LED industry. There was an increase in sales orders from customers in 2012. Enraytek has also completed the production certification procedures and has signed a procurement framework agreement with one of its major customers.

Outlook

Looking ahead, the Group will remain focus on the two directions of strengthening core businesses and exploring investment opportunities.

The predetermined strategies for the business of manufacturing and sale of electronic fire equipment, being dealer recruitment, selling terminal establishment and dealer coverage expansion will be continued to solidify market share. Trainings will be continued to upgrade the sales workforce while promotions will be conducted to further strengthen customer trust. Research and development on new generation products will be commenced.

The Group will continue with operation of the environmental tourist bus service business in Hengshan Mountain, Henyang, Hunan province and engaged in property management of certain properties in the Hengshan Mountain scenic area. Besides striving for high bus service utilisation rate, the Group will continue to diversify the tourism development business through participating in relating projects, including joint development of Changbai Mountain Culture Creative Park and the fine dining business.

The Group will explore any further investment opportunities to diversify its business. The Group newly acquired a grape wine business in early 2012 and its export of wine to PRC started. By conducting a series of marketing campaigns and improving the facilities of the winery, remarkable growth in the grape wine business is expected.

EVENTS AFTER THE REPORTING PERIOD

On 31 January 2013, the Company announced a guarantee dated on the same date entered into between the Company and two banks (the “Banks”), in relation to the provision of guarantee by the Company in favour of the Banks to secure obligations of an associate, Changsha Songya Lake Construction Investment Co., Ltd., 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. The Guarantee is subject to shareholders’ approvals through the special general meeting which is to be held on 25 March 2013.

On 17 December 2012 and 1 February 2013, the Company announced the proposed spin-off of Beida Jade Bird Universal Fire Alarm Device Company Limited (“Jade Bird Fire Alarm”) (formerly known as Hebei Beida Jade Bird Universal Fire Alarm Device Company Limited), a subsidiary of the Company, and a separate listing of the existing Manufacture and sale of electronic fire equipment segment owned and operated by Jade Bird Fire Alarm on The Small and Medium Enterprises Board of The Shenzhen Stock Exchange. The proposed spin-off is subject to shareholders’ approval through the special general meeting to be held on 26 April 2013.

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2012.

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 year ended 31 December 2012.

AUDIT COMMITTEE

The Company has established the audit committee with written terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The audit committee of the Company is accountable to the Board. Its primary duties include monitoring the financial reporting system and internal control procedure of the Group, reviewing financial information, and advising the Board on engagement and independence of external auditors. The audit committee of the Company currently comprises four independent non-executive Directors, namely Mr. Shao Jinlin, Mr. Cai Chuanbing, Li Juncai and Mr. Lin Yan. Mr. Shao Jiulin is the chairman of the audit committee of the Company.

The audit committee of the Company has reviewed and discussed the financial reporting matters including the annual results for the year ended 31 December 2012 with the management and the external auditors.

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

Beijing, the PRC
22 March 2013

As at the date of this announcement, Mr. Xu Zhendong, Mr. Xu Zhixiang and Mr. Zhang Wanzhong are executive Directors, Mr. Cai Weimin, 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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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”.