



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 2009

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SECOND QUARTERLY RESULTS (UNAUDITED)

The board of directors (the “**Board**”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “**Company**”) was delighted to announce the unaudited consolidated results of the Company and its subsidiaries (collectively as the “**Group**”) for the six months ended 30 June 2009 together with the unaudited comparative figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Note	Three months ended 30 June		Six months ended 30 June	
		2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000 Restated	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000 Restated
Turnover	3	48,546	34,549	75,596	59,967
Cost of sales and services		(30,641)	(23,235)	(49,590)	(44,993)
Gross profit		17,905	11,314	26,006	14,974
Other gain	5	4,814	7,525	4,253	26,999
Distribution costs		(3,055)	(4,134)	(6,173)	(8,163)
Administrative expenses		(6,607)	(8,285)	(15,211)	(16,994)
Other operating expenses		(672)	(3,838)	(1,844)	(5,653)
Profit from operations		12,385	2,582	7,031	11,163
Finance costs	6	389	(6,797)	370	(35,461)
Change in fair value of derivative financial instruments		–	197	–	6,141
Share of losses of jointly controlled entities		(1,597)	(4)	(2,123)	(4)
Profit/(loss) before tax		11,117	(4,022)	5,278	(18,161)
Income tax expense	7	(2,776)	–	(2,905)	–
Profit/(loss) for the period	8	8,401	(4,022)	2,373	(18,161)
Other comprehensive income					
Change in fair value of available-for-sale financial assets		38,299	(51,978)	45,266	(162,546)
Translation differences		(20)	(4,763)	108	(11,752)
Income tax related to other comprehensive income		(791)	–	(791)	–
Other comprehensive income for the period, net of tax		37,488	(56,741)	44,583	(174,298)
Total comprehensive income for the period		45,889	(60,763)	46,956	(192,459)

	Three months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		Restated		Restated
Profit/(loss) for the period attributable to:				
Owners of the Company	5,901	(5,053)	74	(17,108)
Minority interests	2,500	1,031	2,299	(1,053)
	<u>8,401</u>	<u>(4,022)</u>	<u>2,373</u>	<u>(18,161)</u>
Total comprehensive income attributable to:				
Owners of the Company	40,906	(52,830)	35,332	(176,919)
Minority interests	4,983	(7,933)	11,624	(15,540)
	<u>45,889</u>	<u>(60,763)</u>	<u>46,956</u>	<u>(192,459)</u>
	<i>RMB cent</i>	<i>RMB cent</i>	<i>RMB cent</i>	<i>RMB cent</i>
Earnings/(loss) per share				
– basic and diluted	0.50	(0.43)	0.01	(1.44)
	<u>0.50</u>	<u>(0.43)</u>	<u>0.01</u>	<u>(1.44)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		47,040	46,272
Prepaid land lease payments		5,566	5,608
Goodwill		6,125	6,125
Other intangible assets		24,655	26,801
Investment in jointly controlled entities		99,104	32,919
Available-for-sale financial assets	10	185,616	140,400
		368,106	258,125
Current assets			
Inventories		27,690	16,132
Trade receivables	11	24,712	19,166
Due from a shareholder		47	47
Due from related parties		126	402
Prepayments, deposits and other receivables		15,701	7,617
Financial assets at fair value through profit or loss	12	13,229	10,513
Non-pledged time deposits with original maturity of more than three months when acquired		3,404	46,873
Cash and cash equivalents		513,987	551,622
		598,896	652,372
Total assets		967,002	910,497
Current liabilities			
Trade payables	13	29,538	23,645
Advances from customers		14,431	9,917
Accruals and other payables		38,007	37,596
Due to a shareholder		2,071	2,120
Due to related parties		1,256	4,072
Dividend payables		–	10,277
Bank loans	14	10,000	–
Current tax liabilities		66,361	65,279
		161,664	152,906
Net current assets		437,232	499,466
Total assets less current liabilities		805,338	757,591

		30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Non-current liabilities			
Deferred tax liabilities		<u>791</u>	<u>–</u>
		<u>791</u>	<u>–</u>
NET ASSETS		<u>804,547</u>	<u>757,591</u>
Capital and reserves			
Share capital	<i>15</i>	118,480	118,480
Reserves		<u>634,321</u>	<u>598,989</u>
Equity attributable to owners of the Company		752,801	717,469
Minority interests		<u>51,746</u>	<u>40,122</u>
TOTAL EQUITY		<u>804,547</u>	<u>757,591</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2009

	Attributable to owners of the Company									
	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Reserve funds (Unaudited) RMB'000	Foreign	Investment	Retained profits (Unaudited) RMB'000	Proposed	Total (Unaudited) RMB'000	Minority interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
				currency	revaluation		final			
				translation	reserve/ (deficit)		dividend			
(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	
At 1 January 2009	118,480	377,720	77,974	(55,659)	(12,088)	211,042	-	717,469	40,122	757,591
Total comprehensive income for the period	-	-	-	108	35,150	74	-	35,332	11,624	46,956
At 30 June 2009	<u>118,480</u>	<u>377,720</u>	<u>77,974</u>	<u>(55,551)</u>	<u>23,062</u>	<u>211,116</u>	<u>-</u>	<u>752,801</u>	<u>51,746</u>	<u>804,547</u>
At 1 January 2008	118,480	378,209	77,974	(44,167)	4,728	403,545	23,696	962,465	58,126	1,020,591
Total comprehensive income for the period	-	-	-	(11,752)	(148,059)	(17,108)	-	(176,919)	(15,540)	(192,459)
Dividend declared	-	-	-	-	-	-	(23,696)	(23,696)	-	(23,696)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	884	884
Other gain	-	-	-	-	-	-	-	-	489	489
At 30 June 2008	<u>118,480</u>	<u>378,209</u>	<u>77,974</u>	<u>(55,919)</u>	<u>(143,331)</u>	<u>386,437</u>	<u>-</u>	<u>761,850</u>	<u>43,959</u>	<u>805,809</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2009 (Unaudited) <i>RMB'000</i>	2008 (Unaudited) <i>RMB'000</i>
Net cash (used in)/generated from operating activities	(2,942)	44,269
Net cash used in investing activities	(34,221)	(148,147)
Net cash used in financing activities	(410)	(91,292)
Net decrease in cash and cash equivalents	(37,573)	(195,170)
Effect of foreign exchange rate changes	(62)	(43,724)
Cash and cash equivalents at the beginning of period	<u>551,622</u>	<u>654,107</u>
Cash and cash equivalents at the end of period	<u>513,987</u>	<u>415,213</u>
Cash and cash equivalents at the end of period represent:		
Cash and bank balances	513,987	415,213
Time deposits	<u>3,404</u>	<u>189,830</u>
	517,391	605,043
Less: Non-pledged time deposits with original maturity of more than three months when acquired	<u>(3,404)</u>	<u>(189,830)</u>
Cash and cash equivalents	<u>513,987</u>	<u>415,213</u>

Note:

1. Principal Activities

The Group is principally engaged in the research, development, manufacture, marketing and sale of wireless fire alarm systems and related products (“WFAS”), the provision of network security outsource service (“NET”), the sale of computer products (“Computer”) and the development of travel and leisure business.

2. Basis of Presentation

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

In the current period, the Group has adopted the following new and revised HKFRSs, which comprise Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to its operations and effective for accounting period beginning on or after 1 January 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKFRS 8	Operating Segments
Annual Improvements Project	Improvements to HKFRSs

HKAS 1 (Revised) introduces a number of changes to the presentation and disclosure of financial statements. Accordingly, the Group renames its Income Statement as “Statement of Comprehensive Income”, its Balance Sheet as “Statement of Financial Position” and its Cash Flow Statement as “Statement of Cash Flows”. All transactions with owners of the Company in their capacity as owners are presented in the “Statement of Changes in Equity”. All income and expenses arising from transactions with non-owners are presented under the Statement of Comprehensive Income whereas the total is carried to the Statement of Changes in Equity.

HKFRS 8 requires an operating segment to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The adoption of HKFRS 8 results in a reassessment of segment profit or loss but does not change the operating segments of the Group identified under HKAS 14 “Segment Reporting” in comparison to its audited annual financial statements for the year ended 31 December 2008.

Improvements to HKFRSs include certain non-urgent but necessary amendments to the HKFRSs. In particular, the amendment to HKAS 1 “Presentation of Financial Statements” involves a clarification that assets and liabilities classified as held for trading in accordance with HKAS 39 “Financial Instruments – Recognition and Measurement” are not automatically classified as current in the consolidated statement of financial position. The Group amended its accounting policy accordingly and classified the financial assets and liabilities in accordance with management’s intention of period of realisation. The adoption of the amendment does not result in any reclassification of financial instruments between current and non-current in the consolidated statement of financial position.

Save as disclosed above, the adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current periods and prior periods.

Save for the amendment to HKFRS 8 disclosed below, the Group has not applied the following new HKFRSs, including Hong Kong (International Financial Reporting Interpretations Committee) – Interpretations (“HK(IFRIC) – Int”), that have been issued but are not yet effective:

HKFRS 1 (Revised)	First-time Adoption of HKFRS ¹
HKFRS 3 (Revised)	Business Combinations ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
Amendments to HKAS 39	Eligible Hedged Items ¹
Amendments to HK(IFRIC)-Int 9 and HKAS 39	Embedded Derivatives ²
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC)-Int 18	Transfers of assets from customers ¹
Annual Improvements Project	Improvements to HKFRSs 2009 ³
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transaction ³

¹ Effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods ending on or after 30 June 2009

³ Effective for annual periods beginning on or after 1 January 2010 (unless otherwise specified)

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*

Improvements to HKFRSs 2009 include another set of certain non-urgent but necessary amendments to the HKFRSs. In particular, the amendment to HKFRS 8 “Operating Segments” involves a clarification that assets and liabilities need only be reported when they are included in measures of segment performance that are used by the chief operating decision maker. The Group decides to early adopt this amendment since no assets nor liabilities are included in such measures to its chief operating decision maker.

These condensed consolidated financial statements have been prepared in accordance with HKAS 34 “Interim Financial Reporting” issued by HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosure required by the GEM Listing Rules. These condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values. These condensed consolidated financial statements are presented in 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.

Save for the new and revised HKFRSs adopted, the accounting policies and method of computation adopted in preparing these unaudited condensed consolidated financial statements are consistent with those used in the Company’s annual audited consolidated financial statements for the year ended 31 December 2008. These condensed consolidated financial statements should be read in conjunction with these mentioned audited financial statements.

Basis of consolidation

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

Subsidiaries are fully 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 represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated statement of comprehensive income and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies 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.

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated statement of comprehensive income as an allocation of profit or loss for the period between minority and owners of the Company. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of the Group until the minority's share of losses previously absorbed by the Group has been recovered.

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 is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000
Sale of embedded system products and related products	33,443	24,521	49,707	35,037
Sale of Computer	6,772	5,123	11,550	19,974
Rendering of travel and leisure services	8,331	4,905	14,339	4,956
	<u>48,546</u>	<u>34,549</u>	<u>75,596</u>	<u>59,967</u>

4. Segment information

The Group follows its products and services in identifying its operating segments. Each operating segment is managed separately as each segment requires different technology and marketing approach and targets to different customers. Reported segment profits or loss is based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The chief operating decision maker assesses segment profit or loss using a measure of profit or loss from operations. This segmental measurement policy is as same as those policies used in the financial statements of the Group except for the exclusion of those incomes and expenses unrelated to business activities of any operating segment.

The Group operates four business segments. They are NET business, WFAS business, Computer business and tourism development business. WFAS business includes manufacture and sale of the corresponding embedded system products. NET business represents provision of outsource network security service. Computer business involves trading of computer equipments. Tourism development business represents a public transport monopoly operation in a designated national AAAAA level tourism attraction in the People's Republic of China ("PRC").

	Revenue from external customers		Segment profit/(loss)	
	Six months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
NET	1,781	3,982	373	(4,160)
WFAS	47,926	31,055	6,592	2,182
Computer	11,550	19,974	565	(271)
Tourism development	14,339	4,956	3,052	(2,954)
	<u>75,596</u>	<u>59,967</u>	<u>10,582</u>	<u>(5,203)</u>
Change in fair value of derivative financial instruments			-	6,141
Interest income			855	25,714
Other gain not allocated			677	1,801
Change in fair value of financial assets at fair value through profit or loss			2,721	(516)
Finance costs			370	(35,461)
Share of losses of jointly controlled entities			(2,123)	(4)
Unallocated corporate expenses			(7,804)	(10,633)
Profit/(loss) before tax			<u>5,278</u>	<u>(18,161)</u>

5. Other gain

	Three months ended 30 June		Six months ended 30 June	
	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000 Restated	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000 Restated
Bank interest income	607	1,443	855	7,351
Interest income from loan receivable	–	7,667	–	18,363
Change in fair value of financial assets at fair value through profit or loss	3,545	(1,616)	2,721	(516)
Others	662	31	677	1,801
	<u>4,814</u>	<u>7,525</u>	<u>4,253</u>	<u>26,999</u>

6. Finance costs

	Three months ended 30 June		Six months ended 30 June	
	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000
Interest on bank loans	138	4	138	43
Interest on other loan	–	(597)	–	1,123
Net foreign exchange (gain)/losses	(527)	7,390	(508)	34,295
	<u>(389)</u>	<u>6,797</u>	<u>(370)</u>	<u>35,461</u>

7. Income tax expense

	Three months ended 30 June		Six months ended 30 June	
	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000
Charge for the period				
Current tax – Mainland China	2,142	–	2,271	–
Underprovision – Mainland China	634	–	634	–
	<u>2,776</u>	<u>–</u>	<u>2,905</u>	<u>–</u>

No provision for Hong Kong profits tax has been made for the periods ended 30 June 2009 and 2008 as the Group did not generate any assessable profits arising in Hong Kong during the periods.

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

During the six months ended 30 June 2008, the Company was registered in the Beijing New Technology Enterprise Development Zone and certified by the relevant PRC authorities as a high technology enterprise. High technology enterprise certificate was then expired during the year ended 31 December 2008 and its renewal is in progress.

The subsidiaries of the Group established in the PRC are generally subject to income tax on their taxable income at a tax rate of 25% (2008: 25%).

The new PRC enterprise income tax law passed by the Tenth National People's Congress on 16 March 2007 introduces various changes which include the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%. The new tax law has been effective from 1 January 2008. The impact of the new tax law on the Group's consolidated financial statement is not material.

At 30 June 2009, there was no significant unrecognised deferred tax liability (2008: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, as their directors do not have intention to remit such earnings to the Company in the foreseeable future.

8. Profit/(loss) for the period

The Group's profit/(loss) for the period is arrived at after charging/(crediting):

	Three months ended 30 June		Six months ended 30 June	
	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000
Advertising and promotion costs	229	146	355	407
Change in fair value of financial assets at fair value through profit or loss	(3,545)	1,616	(2,721)	516
Amortisation of other intangible assets				
– included in cost of sales and services	1,071	1,071	2,143	1,071
– included in administrative expenses	2	2	4	3
Cost of inventories sold	24,606	19,051	37,592	39,571
Depreciation	1,931	1,273	3,780	2,084
Gain on disposal of property, plant and equipment	–	(755)	–	(755)
Net foreign exchange (gain)/losses	(527)	7,390	(508)	34,295
Operating lease charges in respect of land and buildings	740	554	1,540	905
Research and development expenditure	849	1,400	2,009	2,820
Reversal of allowance for doubtful other receivables	–	–	–	(2)
Reversal of allowance for doubtful trade receivables	(182)	(160)	(188)	(786)
Staff costs (excluding directors' and supervisors' emoluments)	7,243	7,830	13,263	15,145
Retirements benefits scheme contributions	574	522	1,152	871
Social security costs	448	461	904	829
Wages, salaries and bonuses	6,221	6,847	11,207	13,445

9. Earnings/(loss) per share

Basis and diluted earnings/(loss) per share

The calculation of basic and diluted earnings per share attributable to owners of the Company for the three months ended 30 June 2009 is based on profit for the period attributable to owners of the Company of approximately RMB5,901,000 (2008: loss of approximately RMB5,053,000) and the weighted average number of 1,184,800,000 ordinary shares (2008: 1,184,800,000 ordinary shares) 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 2009 is based on profit for the period attributable to owners of the Company of approximately RMB74,000 (2008: loss of approximately RMB17,108,000) and the weighted average number of 1,184,800,000 ordinary shares (2008: 1,184,800,000 ordinary shares) in issue during the period.

10. Available-for-sale financial assets

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Equity securities, at fair value		
Listed in Hong Kong	131,726	109,821
Listed outside Hong Kong	53,640	30,329
Equity securities, at cost		
Unlisted outside Hong Kong	250	250
	<u>185,616</u>	<u>140,400</u>

11. 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 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 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, is as follows:

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
0 to 90 days	14,233	11,572
91 to 180 days	1,698	1,873
181 to 365 days	5,460	2,091
Over 365 days	3,321	3,630
	<u>24,712</u>	<u>19,166</u>

The fair value of the Group's trade receivables as at 30 June 2009 was approximately equal to the corresponding carrying amount.

12. Financial assets at fair value through profit or loss

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Equity securities, at fair value		
Listing in Hong Kong and market value of listed securities	<u>13,229</u>	<u>10,513</u>
	<u>13,229</u>	<u>10,513</u>

The above financial assets are classified as held for trading.

Listed equity securities offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of listed securities are based on current bid prices.

13. Trade payables

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

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
0 to 90 days	20,674	15,396
91 to 180 days	180	907
181 to 365 days	2,462	1,915
Over 365 days	<u>6,222</u>	<u>5,427</u>
	<u>29,538</u>	<u>23,645</u>

The fair value of the Group's trade payables as at 30 June 2009 was approximately equal to the corresponding carrying amount.

14. Bank loans

Bank loans are repayable as follows:

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
On demand or within one year	10,000	–
Less: Amount due for settlement within 12 months (shown under current liabilities)	(10,000)	–
Amount due for settlement after 12 months	–	–

All the carrying amount of the Group's bank loan are denominated in Renminbi.

The average interest rate paid for bank loans at 30 June 2009 was 5.84%.

At 30 June 2009, all bank loans were secured by a charge over certain property, plant and equipments and the prepaid land lease payments of the Group.

15. Share capital

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Registered, issued and fully paid:		
– 700,000,000 promoters shares of RMB0.10 each	70,000	70,000
– 484,800,000 H shares of RMB0.10 each	48,480	48,480
	118,480	118,480

16. Related party transactions

- (a) Particulars of significant transactions between the Group and related parties during the period are summarised below:

	Three months ended 30 June		Six months ended 30 June	
	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000
Sales of embedded systems products to related companies controlled by Peking University	1,470	1,320	2,497	2,242
Service income charged to a related company controlled by Peking University	–	–	120	–
Service expenses charged by a related company controlled by Peking University	–	–	110	–
Rental expense of an office building charged by a shareholder of the Company	90	178	180	253

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

	Three months ended 30 June		Six months ended 30 June	
	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000	2009 (Unaudited) RMB'000	2008 (Unaudited) RMB'000
Short term employee benefits	594	585	1,141	1,178
Post-employment benefits	36	22	68	43
	630	607	1,209	1,221

17. Comparative figures

Change in fair value of financial assets at fair value through profit or loss has been presented under other gain as the Directors consider that this presentation reflects the nature of the change better in the financial statements.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2009 (2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

The Group recorded a turnover of approximately RMB75.6 million for the six months ended 30 June 2009 (“1H09”), representing a growth of 26.1% year-on-year (“YoY”). Gross profit surged by 73.7% YoY to approximately RMB26.0 million. Overall gross profit margin reached 34.4% for 1H09 followed from an impressive improvement in WFAS segment. Cost of sales and services increased 10.2% to RMB49.6 million while operating expenses decreased 24.6% to RMB23.2 million YoY. Profit from operations dropped 37.0% YoY to RMB7.0 million due to full settlement of loan receivables in 2008. Finance costs went down drastically by 101.0% and recorded a slight gain of RMB0.4 million due to full repayment of cash collateral under the securities lending arrangement in the second half of 2008 and net foreign exchange gain recorded during 1H09. The Group made profit of RMB2.4 million during 1H09 while it incurred loss of RMB18.2 million last year.

WFAS

Turnover was well up on 1H09 and reached RMB47.9 million. The segment contributed 63.4% to the Group’s turnover in 1H09, representing an augmentation in contribution by 11.6% YoY. Deferred construction works in 2008 due to the Beijing Olympic Games were resumed in 2009. Demand for WFAS products increased accordingly. The Group continued to benefit from the expansion strategy through setting up representative offices and enhancement of high calibre sales force. New products introduced in 1H09 diversify the product mix and allow the Group to keep close to customer needs. Segment profit tripled YoY to RMB6.6 million. The Group worked hard to reduce cost of spare part production during the reporting period. Benefited from reduced production cost and stable selling price, profit margin enlarged.

NET

Since it is building up its outsource business, NET segment still performed weakly. Turnover dropped by 55.3% YoY to RMB1.8 million. The segment reported a profit of RMB0.4 million as compared with a loss last year mainly due to certain allowance for doubtful trade receivables being written back. NET segment contributed about 2.4% to the Group’s total turnover in 1H09. Outsource services are available for both local companies and overseas enterprises and are tailor-made in accordance with their requirements. Headcount had been doubled to prepare for future development.

Computer

Financial turmoil slowed down the pace of hardware upgrade and renewal. Increasing trend to set up factories in Mainland China by famous brands exacerbated the demand drop for service offered by the Group. Turnover decreased by 42.2% YoY to RMB11.6 million. Further shrinkage in business is expected. The segment reported a small profit of RMB0.6 million for 1H09 as a result of certain incidental service income.

Tourism Development

Segment turnover contributed 19.0% to the total turnover of the Group in 1H09. It soared 189.3% to RMB14.3 million. The segment made profits of RMB3.1 million, being a turnaround as compared with last year. Number of visit exceeded 200,000 times for the reporting period despite unstable economy and upward adjustment of scenic spot entrance fee reduced the conation of tourism. Benefits offered by Hengyang City Government outweighed part of the effect.

Other gain

Other gain mainly represented fair value change of certain financial assets and bank interest income. As all loan receivables had been collected in 2008, there was no interest income generated from them during 1H09.

Investment in a jointly control entity – SBI & BDJB China Fund, L. P. (“SBI China”)

The Group contributed US\$10 million further into SBI China during the reporting period. Subsequent to period end, SBI China made its first investment since establishment by investing in a vocational IT education service provider. The target company has recognizable brands in the PRC IT education industry and sizable market share.

Available-for-sale financial assets – Semiconductor Manufacturing International Corporation (“SMIC”)

According to the latest published information available, total revenue increased 82.5% quarter-over-quarter (“QoQ”) from the first quarter of 2009 and reached USD267.4 million owing to a 102.3% increase in wafer shipments. Total revenue was down by 22.0% YoY. Advanced logic sales from 0.13 micron and 90 nanometer nodes grew by 135.3% QoQ as a result of customers’ strong performances in the communications and consumer segments. Greater China revenue increased by 87.4% QoQ while North America revenue increased by 85.3%. Gross loss margins reduced to 4.8% in the second quarter of 2009 from 88.3% in the first quarter due to a significant increase in wafer shipments and fab utilization. Utilisation rate improved to 75%. Loss attributable to owners of SMIC was USD98.1 million in the second quarter of 2009, being improved by 45.0% QoQ.

SMIC has commenced risk production on 65nm low-power process in the beginning of the third quarter. In addition, 45nm low-power technology qualification process is on schedule with products from multiple customers under development. SMIC has successfully completed the first 45nm high performance GP yield lot.

Available-for-sale financial assets – Zhang Jia Jie Tourism Development Co., Ltd. (“ZJJ Tourism”)

According to the latest published information available, ZJJ Tourism reported a turnover of approximately RMB32.5 million for 1H09, decreased by 11.7% YoY. It reported a loss before tax of approximately RMB16.5 million while it reported a profit of RMB7.9 million last year. ZJJ Tourism was affected by the financial crisis and outbreak of human swine influenza. Number of visit dropped by 7.65% YoY to approximately 625,200 times due to decrease in Korean tourists. In addition, ZJJ Tourism reversed accruals of RMB26.5 million after partial settlement of debts during the first half of 2008. No such reversal was recorded in 1H 2009. ZJJ Tourism completed the split share structure reform in June 2009. Investment in ZJJ Tourism by the Group is subject to a lock-up period of one year until June 2010.

Material Events

The fourth session of the Board and supervisory committee of the Company (“Supervisory Committee”)

The Company held the 2008 annual general meeting on 20 May 2009. Following the conclusion of the meeting, the fourth session of the Board and Supervisory Committee were formed. Ms. Xue Li, Mr. Li Ming Chun, Mr. Chu Yu Guo, Ms. Feng Ping and Mr. Lin Yan were newly elected as Directors while Mr. Xu Zhen Dong, Mr. Hao Yi Lung and Professor Chin Man Chung, Ambrose retired from the Board. Mr. Lin replaces Professor Chin as a member to the audit committee of the Company (“**Audit Committee**”). Professor Yang Jin Guan and Mr. Li Chong Hua were newly elected as supervisors of the Company while Mr. Du Hong and Ms. Lu Qing retired from the Supervisory Committee. Details of the fourth session of the Board and the Supervisory Committee as well as the profiles of the newly appointed Directors and supervisors have been disclosed in the poll result announcement of the Company dated 20 May 2009.

Liquidity and Financial Resources

Net asset value of the Group narrowed 6.2% this period to RMB804.5 million as at 30 June 2009. Stock prices of the Group’s equity investments climbed following the rebound of stock markets in Hong Kong and Mainland China during 1H09. Fair values of the Group’s investments rose accordingly which led to an increase in asset value. After further capital injection into SBI China, the Group’s cash and cash equivalents reduced by 6.8% since the past year end to RMB514.0 million. Current ratio (being the ratio of current assets to current liabilities) deteriorated slightly to 3.7 since the past year. Gearing ratio (being the ratio of total interest-bearing debts to total equity) slightly increased to 1.2% since the past year end. The financial position is healthy.

Exposure to Foreign Currencies

The Group has certain exposure to foreign currency risk as most of its business activities, assets and liabilities are denominated in United States dollars, Hong Kong dollars and RMB. The Group does not formulate a foreign currency hedging policy at present as RMB is the functional currency of the Group. RMB is relatively strong as compared with other currencies and its fluctuation is relatively small. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposures when necessary.

Human Resources

The Group employed around 600 staff members as at 30 June 2009, dropped by approximately 9.1% since the past year end mainly due to the restructuring of NET business. The Group offers competitive remuneration package to its staff including medical insurance and travel insurance. The Group strictly follows the requirements regarding mandatory provident fund in Hong Kong and state-managed pension scheme in PRC respectively.

Outlook

Shanghai Stock Exchange A Share Index rebounded staggeringly over 55% from the bottom in 1H09 while Hang Seng index rose sharply over 60%. Mainland China economy grew 7.9% YoY in the second quarter. Gross domestic product grew 7.1% from the same period a year ago while urban fixed asset investment soared 33.5%. In conjunction with revival of business activities as indicated by the robust turnover growth of the Group, the economic stimulus package of the PRC government seems to have distanced the PRC economy from depression. Besides, the economic influence from human swine influenza was lesser than expected up to this moment. The Group will maintain its pragmatic strategy while adjusting its growth pace in order to grab the emerging chance. In addition to its existing expansion strategy, the Group plans to increase its capital expenditure to meet increasing orders for WFAS products. For the travel and leisure business, the Group will continue to cooperate with Hengyang City Government and provide quality environmental bus service. It plans to discuss with Hengyang City Government about offering further benefits to tourists to stimulate turnover. The Group will put more resources in promoting its network security outsource service. As market demand is shrinking, the Group will continue to fade out the computer business. Potential investment opportunities are being unveiled after market sentiment improves. The Group has begun searching for suitable targets. However, the Group stresses the need to remain vigilant and will only choose the one with a probable positive return.

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

At 30 June 2009, the interests (including interests in shares and short positions) of the Directors, supervisors and chief executive in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

Long positions:

			Number of shares held, capacity and nature of beneficiary interest of a trust	Approximate percentage of the Company's total number of issued promoters share	Approximate percentage of the Company's total issued share capital
	<i>Note</i>				
Name of director					
1.	Mr. Xu Zhen Dong	(a)	205,414,000	29.34%	17.34%
2.	Mr. Xu Zhi Xiang	(a)	205,414,000	29.34%	17.34%
3.	Mr. Zhang Wan Zhong	(a)	205,414,000	29.34%	17.34%
4.	Mr. Liu Yong Jin	(a)	205,414,000	29.34%	17.34%
Name of supervisor					
1.	Mr. Zhang Yong Li	(a)	205,414,000	29.34%	17.34%
2.	Ms. Dong Xiao Qing	(a)	205,414,000	29.34%	17.34%

Note:

- (a) The above directors and supervisors of the Company are taken to be interested in the issued share capital of the Company through their respective interests as beneficiaries, among other beneficiaries, of Heng Huat trust ("Heng Huat Trust"). By a declaration of Heng Huat Trust made as a deed on 19 July 2000, Mr. Xu Zhen Dong, Mr. Zhang Wan Zhong and Ms. Liu Yue (who has been replaced by Mr. Xu Zhi Xiang since 9 May 2003 as a trustee) declared that they held the shares of Heng Huat Investments Limited ("Heng Huat") as trustees for the benefits of over 300 employees of 北京北大青鳥軟件系統有限公司 (Beijing Beida Jade Bird Software System Co., Ltd.), 北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited), 北京北大宇環微電子系統有限公司 (Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd.) and 北京天橋北大青鳥科技股份有限公司 (Beijing Tianqiao Beida Jade Bird Sci-Tech Company Limited) 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 Zhen Dong, Mr. Zhang Wan Zhong and Mr. Xu Zhi Xiang (who replaced Ms. Liu Yue as a trustee on 9 May 2003 upon Ms. Liu's resignation as a trustee on the same date) are trustees holding 60, 20 and 20 shares out of 100 shares in the issued share capital of Heng Huat.

Save as disclosed above, none of the Directors, supervisors and chief executive 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 Rules 5.46 of the GEM Listing Rules as at 30 June 2009.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the employee share option scheme below, at no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Directors 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. As at 30 June 2009, none of the Directors or the supervisors had any rights to acquire H shares ("**H Shares**") of the Company.

The Company has adopted Code of Conduct for Securities Transactions by Directors of the Company (the "**Securities Code**") 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 enquiries, all Directors confirm that they have complied with the Securities Code for the six months ended 30 June 2009.

EMPLOYEE SHARE OPTION SCHEME

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

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

At 30 June 2009, the following interests and short positions of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Note	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of the Company's total number of issued promoters shares	Approximate percentage of the Company's total number of issued H Shares	Approximate percentage of the Company's total issued share capital
1. Peking University	(a)	Through controlled corporations	310,000,000	44.29%	Not applicable	26.16%
2. Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd.	(a)	Directly beneficially owned	85,000,000	12.14%	Not applicable	7.17%
3. Beijing Beida Jade Bird Software System Co., Ltd.	(a), (b)	Directly beneficially owned and through a controlled corporation	225,000,000	32.14%	Not applicable	18.99%
4. Beijing Beida Jade Bird Limited	(a)	Directly beneficially owned	115,000,000	16.43%	Not applicable	9.71%
5. Heng Huat Investments Limited	(c)	Through a controlled corporation	205,414,000	29.34%	Not applicable	17.34%
6. Dynamic Win Assets Limited	(c)	Directly beneficially owned	205,414,000	29.34%	Not applicable	17.34%
7. Mongolia Energy Corporation Limited	(d)	Through a controlled corporation	84,586,000	12.08%	Not applicable	7.14%
8. New View Venture Limited	(d)	Directly beneficially owned	84,586,000	12.08%	Not applicable	7.14%
9. Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	Not applicable	4.22%

Name	Note	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of the Company's total number of issued promoters shares	Approximate percentage of the Company's total number of issued H Shares	Approximate percentage of the Company's total issued share capital
10. Taifook Securities Company Limited	(e)	Directly beneficially owned	80,800,000	Not applicable	16.67%	6.82%
11. Taifook Finance Company Limited	(e)	Through a controlled corporation	80,800,000	Not applicable	16.67%	6.82%
12. Taifook (BVI) Limited	(e)	Through a controlled corporation	80,800,000	Not applicable	16.67%	6.82%

Notes:

- (a) Peking University is taken to be interested in 26.16% of the total issued share capital of the Company through the following companies:
- (i) 85,000,000 shares (representing approximately 7.17% of the Company's total issued share capital) held by 北京北大宇環微電子系統有限公司 (Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd.) ("**Yu Huan**"), which is 95% beneficially owned by Peking University;
 - (ii) 110,000,000 shares (representing approximately 9.28% of the Company's total issued share capital) held by 北京北大青鳥軟件系統有限公司 (Beijing Beida Jade Bird Software System Co., Ltd.) ("**JB Software**"), which is 48% beneficially owned by Peking University; and
 - (iii) 115,000,000 shares (representing approximately 9.71% of the Company's total issued share capital) held by 北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited) ("**Beida Jade Bird**"), which is beneficially owned by Peking University.

On 21 January 2008, the Company had been notified by Yu Huan and JB Software that both companies had entered into share transfer agreements with 杭州北大青鳥科技有限公司 (Hang Zhou Beida Jade Bird Sci-Tech Co., Ltd.) ("**HZ Jade Bird**"), a non wholly-owned subsidiary of Beida Jade Bird which is 80% beneficially owned by it, respectively on 18 January 2008 whereas both companies agreed to sell to HZ Jade Bird their entire equity interests in the Company subject to approvals by 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council, "**SASAC**"). The transfer of Yu Huan was approved by SASAC on 19 December 2008 while the transfer of JB Software was still pending for approval as at 30 June 2009.

- (b) The interest of JB Software comprises 110,000,000 shares held by JB Software itself and 115,000,000 shares held by Beida Jade Bird, which is 46% beneficially held by JB Software.
- (c) The shares of the Company are held by Dynamic Win, which is wholly-owned by Heng Huat.
- (d) The shares of the Company are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (e) The shares are held by Taifook Securities Company Limited, which is directly wholly-owned by Taifook Finance Company Limited and indirectly wholly-owned by Taifook (BVI) Limited.

Save as disclosed above, no person, other than the directors and supervisors of the Company, 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 an interest 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 2009.

COMPETING INTERESTS

As at 30 June 2009, none of the directors, supervisors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the businesses of the Group, or may have any conflicts of interest with the Group pursuant to the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have significant events after 30 June 2009 (2008: Nil).

AUDIT COMMITTEE

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

The Audit Committee comprises three members. The chairman is Professor Nan Xiang Hao. The two members are Mr. Lin Yan and Mr. Cai Chuan Bing. All of them are independent non-executive Directors. The Audit Committee had held a meeting to review the Group’s second quarterly results report for the six months ended 30 June 2009 and concluded the meeting with agreement to the contents of the quarterly report.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules during the six months ended 30 June 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S H SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s H Shares during the six months ended 30 June 2009.

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

Beijing, the PRC, 12 August 2009

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

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