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 2018

CHARACTERISTICS OF THE GEM ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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 2018, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2018

	Notes	**2018** **RMB'000**	2017 RMB'000
Revenue	*4*	**1,905,727**	1,613,075
Cost of sales and services		**(1,064,446)**	(872,685)
Gross profit		**841,281**	740,390
Other gains and income	*5*	**25,866**	33,976
Impairment loss on trade and other receivables, net		**(30,591)**	(12,149)
Distribution costs		**(144,946)**	(123,052)
Administrative expenses		**(136,536)**	(129,845)
Other expenses		**(98,217)**	(72,309)
Profit from operations		**456,857**	437,011
Finance costs	*7*	**(11,951)**	(14,931)
Share of losses of associates		**(38,770)**	(3,737)
Share of losses of joint ventures		**(1,069)**	(773)
Profit before tax		**405,067**	417,570
Income tax expense	*8*	**(78,556)**	(76,080)
Profit for the year	*9*	**326,511**	341,490
Other comprehensive income after tax:			
Items that will not be reclassified to profit or loss:			
Fair value changes of financial assets at fair value through other comprehensive income ("FVTOCI")		**(98,755)**	–
Share of other comprehensive income of associates		**(17,419)**	–
Share of other comprehensive income of joint ventures		**(71,907)**	–
Income tax on items that will not be reclassified to profit or loss		**1,485**	–
		(186,596)	–

	Notes	**2018** **RMB'000**	2017 RMB'000
Items that may be reclassified to profit or loss:			
Changes in fair value of available-for-sale financial assets		**–**	11,519
Exchange differences on translating foreign operations		**15,168**	(25,755)
Share of other comprehensive income of associates		**–**	(31,874)
Share of other comprehensive income of joint ventures		**–**	48,502
Income tax relating to changes in fair value of available-for-sale financial assets		**–**	(694)
		15,168	1,698
Other comprehensive income for the year, net of tax		**(171,428)**	1,698
Total comprehensive income for the year		**155,083**	343,188
Profit for the year attributable to:			
Owners of the Company		**147,029**	170,668
Non-controlling interests		**179,482**	170,822
		326,511	341,490
Total comprehensive income for the year attributable to:			
Owners of the Company		**(18,106)**	171,455
Non-controlling interests		**173,189**	171,733
		155,083	343,188
		RMB	*RMB*
Earnings per share			
Basic and diluted (cents per share)	*10*	**10.7**	12.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
Non-current assets			
Property, plant and equipment		**315,628**	311,778
Goodwill		**19,847**	17,761
Other intangible assets		**4,972**	6,154
Biological assets		**1,058**	4,276
Investments in associates		**667,627**	685,366
Investments in joint ventures		**253,392**	316,421
Investments in film productions		**10,292**	11,991
Available-for-sale financial assets		**–**	232,606
Financial assets at FVTOCI		**135,244**	–
Deposits for potential investments		**8,000**	9,400
Deposits for purchase of property, plant and equipment		**3,203**	–
Deferred tax assets		**16,925**	12,991
		1,436,188	1,608,744
Current assets			
Inventories		**238,107**	158,851
Trade and other receivables	*12*	**1,103,752**	753,562
Time deposit with original maturity of more than three months when acquired		**1,221**	1,159
Pledged bank deposits		**5,000**	–
Cash and cash equivalents		**684,448**	658,235
		2,032,528	1,571,807
Total assets		**3,468,716**	3,180,551

	Notes	2018 RMB'000	2017 RMB'000
Current liabilities			
Trade and other payables	*13*	**563,165**	435,484
Bank loans		**225,683**	220,850
Current tax liabilities		**27,651**	33,659
		816,499	689,993
Net current assets		**1,216,029**	881,814
Total assets less current liabilities		**2,652,217**	2,490,558
Non-current liabilities			
Deferred tax liabilities		**1,802**	2,310
NET ASSETS		**2,650,415**	2,488,248
Capital and reserves			
Share capital		**137,872**	137,872
Reserves		**1,612,363**	1,630,469
Equity attributable to owners of the Company		**1,750,235**	1,768,341
Non-controlling interests		**900,180**	719,907
TOTAL EQUITY		**2,650,415**	2,488,248

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Attributable to owners of the Company										
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Investment revaluation reserve	Financial assets at FVTOCI reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2017	128,176	449,966	133,630	(33,178)	105,717	–	12,552	677,774	1,474,637	548,174	2,022,811
Issue of shares	9,696	112,553	–	–	–	–	–	–	122,249	–	122,249
Total comprehensive income for the year	–	–	–	(26,088)	26,875	–	–	170,668	171,455	171,733	343,188
Transfer	–	–	15,980	–	–	–	–	(15,980)	–	–	–
Appropriation of safety production fund	–	–	–	–	–	–	3,743	(3,743)	–	–	–
Changes in equity for the year	9,696	112,553	15,980	(26,088)	26,875	–	3,743	150,945	293,704	171,733	465,437
At 31 December 2017	137,872	562,519	149,610	(59,266)	132,592	–	16,295	828,719	1,768,341	719,907	2,488,248
At 1 January 2018	**137,872**	**562,519**	**149,610**	**(59,266)**	**132,592**	**-**	**16,295**	**828,719**	**1,768,341**	**719,907**	**2,488,248**
Adjustment on initial application of HKFRS 9 *(note 3)*	**-**	**-**	**-**	**-**	**(132,592)**	**132,592**	**-**	**-**	**-**	**-**	**-**
Restated balance at 1 January 2018	**137,872**	**562,519**	**149,610**	**(59,266)**	**-**	**132,592**	**16,295**	**828,719**	**1,768,341**	**719,907**	**2,488,248**
Total comprehensive income for the year	**-**	**-**	**-**	**15,176**	**-**	**(180,311)**	**-**	**147,029**	**(18,106)**	**173,189**	**155,083**
Acquisition of subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,221**	**1,221**
Capital contribution from non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,863**	**5,863**
Transfer	**-**	**-**	**2,967**	**-**	**-**	**-**	**-**	**(2,967)**	**-**	**-**	**-**
Share of transfer of loss on disposal of financial assets at FVTOCI in investments in joint ventures	**-**	**-**	**-**	**-**	**-**	**3,199**	**-**	**(3,199)**	**-**	**-**	**-**
Transfer of gain on disposal of financial assets at FVTOCI	**-**	**-**	**-**	**-**	**-**	**(1,307)**	**-**	**1,307**	**-**	**-**	**-**
Appropriation of safety production fund	**-**	**-**	**-**	**-**	**-**	**-**	**89**	**(89)**	**-**	**-**	**-**
Changes in equity for the year	**-**	**-**	**2,967**	**15,176**	**-**	**(178,419)**	**89**	**142,081**	**(18,106)**	**180,273**	**162,167**
At 31 December 2018	**137,872**	**562,519**	**152,577**	**(44,090)**	**-**	**(45,827)**	**16,384**	**970,800**	**1,750,235**	**900,180**	**2,650,415**

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 the GEM of the Stock Exchange. 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 6th Floor, Bank of China Building, 2A Des Voeux Road Central, 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 research, development, manufacture, marketing, contract work and sale of electronic fire equipment, the development of travel and leisure business, investment holding and production and sales of wine and related products.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2018. Of these, the following developments are relevant to the Group's consolidated financial statements:

(i) HKFRS 9 Financial Instruments; and

(ii) HKFRS 15 Revenue from Contracts with Customers

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

(a) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTOCI and fair value through profit or loss ("FVTPL"); and

- those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

(b) Measurement

At initial recognition, the Group measures a financial assets at its fair value plus, in the case of a financial assets not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(c) Impairment

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

Financial assets	*Notes*	**Classification under HKAS 39**	**Classification under HKFRS 9**	**Carrying amount under HKAS 39** *RMB'000*	**Carrying amount under HKFRS 9** *RMB'000*
Equity investments	*(a)*	Available-for-sale	FVTOCI	232,606	232,606
Trade and other receivables	*(b)*	Loans and receivables	Amortised cost	753,562	753,562

The impact of these changes on the Group's equity is as follows:

	Note	**Effect on investment revaluation reserve** *RMB'000*	**Effect on financial assets at FVTOCI reserve** *RMB'000*
Opening balance – HKAS 39		132,592	–
Reclassify non-trading equity investments from available-for-sale financial assets to financial assets at FVTOCI	*(a)*	(132,592)	132,592
Total impact		(132,592)	132,592
Opening balance – HKFRS 9		–	132,592

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application.

Notes:

(a) These equity investments represent investments that the Group intends to hold for the long term for strategic purposes. The Group elected to present in other comprehensive income ("OCI") changes in the fair value of these investments because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of RMB232,606,000 were reclassified from available-for-sale financial assets to financial assets at FVTOCI and fair value gains of RMB132,592,000 were reclassified from the investment revaluation reserve to financial assets at FVTOCI reserve on 1 January 2018. Unlike HKAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

(b) Trade and other receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost.

Impairment losses related to trade and other receivables are presented separately in the consolidated statement of profit or loss and other comprehensive income. As a result, the Group reclassified impairment losses amounting to RMB14,336,000 and reversal of allowance for doubtful trade and other receivables amounting to RMB2,187,000 from "other expenses" and "other gains and income" recognised under HKAS 39 to "impairment loss on trade and other receivables", respectively in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017.

HKFRS 15 Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognsied. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

The adoption of HKFRS 15 resulted in the following changes to the Group's accounting policies.

The Group manufactures and sells a range of embedded system products and related products. Sales are recognsied when control of the products has transferred, being when the products are delivered to the customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been delivered to the specific location.

The Group also operates a wine yard. Revenue from the sale of wine and related products is recognised when the Group sells the product to the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from the management service income is recognised when the services are rendered to the customer.

The Group provides the service of travel and leisure. Revenue from the travel and leisure service is recognosed when the services are rendered to the customer.

The adoption of HKFRS 15 does not have a significant impact on how the Group recognises revenue from construction contracts.

Set out below is the impact of the adoption of HKFRS 15 on the Group.

The following tables summarise the estimated impact of adoption of HKFRS 15 on the Group's consolidated financial statements for the year ended 31 December 2018, by comparing the amounts reported under HKFRS 15 in these consolidated financial statements with estimates of the hypothetical amounts that would have been recognised under HKAS 18 and HKAS 11 if those superseded standards had continued to apply to 2018 instead of HKFRS 15. These tables show only those line items impacted by the adoption of HKFRS 15:

	Note	**Amounts reported in accordance with HKFRS 15** *RMB'000*	**Hypothetical amounts under HKASs 18 and 11** *RMB'000*	**Estimated impact of adoption of HKFRS 15** *RMB'000*
As at 31 December 2018				
Consolidated statement of financial position (extract)				
Gross amount due from customers for contract work	*(a)*	**–**	**2,475**	**2,475**
Contract assets	*(a)*	**2,475**	**(2,475)**	**–**
Gross amount due to customers for constriction work	*(a)*	**–**	**504**	**504**
Contract liabilities	*(a)*	**61,513**	**(504)**	**61,009**

(a) Reclassifications were made as at 1 January 2018 to be consistent with the terminology under HKFRS 15:

Previously, contract balances relating to construction contracts in progress were presented in the consolidated statement of financial position under "Gross amount due from customers for contract work" or "Gross amount due to customers for construction work" and contract balances relating to trade deposits received from customers were included in "advances from customers" in the Group's consolidated statement of financial position. To reflect these changes in presentation, the Group has made the following reclassification adjustments at 1 January 2018, as a result of the adoption of HKFRS 15:

Contract assets recognised in relation to construction were previously presented as "Gross amount due from customers for contract work".

Contract liabilities for progress billing recognised in relation to construction were previously presented as "Gross amount due to customers for construction work".

Contract liabilities for trade deposits received from customers was previously presented as "Advances from customers".

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
HKFRS 16 Leases	1 January 2019
HK(IFRIC) 23 Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to HKFRSs 2015 - 2017 Cycle	1 January 2019
Amendments to HKAS 28 Long-term Interest in Associates and Joint Ventures	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's quarterly results report for the three months ending 31 March 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that quarterly results report.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's office and operating premises leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

The Group's future minimum lease payments under non-cancellable operating leases for its office and operating premises amounted to RMB29,276,000 as at 31 December 2018. The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating lease commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2019 onwards.

4. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

	2018	2017
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales and contract works of embedded system products and related products	**1,748,285**	1,461,455
– Rendering of travel and leisure services	**138,849**	132,819
– Sales of wine and related products	**9,896**	11,304
– Management fee income	**8,697**	7,497
	1,905,727	1,613,075

The Group derives all revenue from the transfer of goods and services at a point in time.

5. OTHER GAINS AND INCOME

	2018	2017
	RMB'000	*RMB'000*
Bank interest income	**2,338**	1,397
Government grants *(note)*	**4,298**	19,130
Interest income from loans to others	**1,307**	849
Share of income from film productions	**499**	–
Gain from changes in fair value less costs to sell of biological assets	**–**	3,352
Rental income	**–**	71
Waiver of trade payables	**–**	919
Waiver of other payables	**–**	321
Refund of value-added tax	**14,744**	7,663
Others	**2,680**	274
	25,866	33,976

Note: Government grants represented subsidy to the Group by the PRC government as incentives primarily to encourage the development of the Group and the contribution to the local economic development.

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, contract work 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 production and sales of wine and related products

The accounting policies of the operating segments are the same as those applied by the Group in the consolidated financial statements. Segment profits or losses do not include interest income, unallocated other gains and income, finance costs and unallocated corporate expenses. Segment assets do not include unallocated corporate assets. Segment non-current assets do not include financial assets at FVTOCI (2017: available-for-sales financial assets) and deferred tax assets.

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

Information about operating 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 2018					
Revenue from external customers	**1,748,285**	**138,849**	**8,697**	**9,896**	**1,905,727**
Segment profit/(loss)	**409,867**	**66,377**	**(41,138)**	**(2,407)**	**432,699**
Interest income	**2,219**	**1,274**	**25**	**127**	**3,645**
Finance costs					**(11,951)**
Unallocated corporate expenses					**(19,326)**
Profit before tax					**405,067**
Other segment information:					
Impairment loss on trade and other receivables, net	**30,591**	**–**	**–**	**–**	**30,591**
Interest expense	**9,666**	**1,234**	**–**	**305**	**11,205**
Depreciation and amortisation	**21,066**	**3,185**	**24**	**4,236**	**28,511**
Share of losses of associates	**(4,298)**	**(380)**	**(34,092)**	**–**	**(38,770)**
Share of losses of joint ventures	**–**	**–**	**(1,069)**	**–**	**(1,069)**
Income tax expense	**61,727**	**16,820**	**9**	**–**	**78,556**
Year ended 31 December 2017					
Revenue from external customers	1,461,455	132,819	7,497	11,304	1,613,075
Segment profit/(loss)	389,900	66,157	(13,364)	3,086	445,779
Interest income	1,238	76	32	900	2,246
Finance costs					(14,931)
Unallocated corporate expenses					(15,524)
Profit before tax					417,570
Other segment information:					
Allowance for:					
doubtful other receivables	334	1,000	–	–	1,334
doubtful trade receivables	13,002	–	–	–	13,002
Interest expense	9,106	1,790	–	313	11,209
Depreciation and amortisation	19,074	3,476	35	1,875	24,460
Impairment loss on investments in associates	–	–	4,875	–	4,875
Share of (losses)/profit of associates	(4,249)	(714)	1,226	–	(3,737)
Share of losses of joint ventures	–	–	(773)	–	(773)
Income tax expense	60,054	16,010	16	–	76,080

Information about operating segment assets:

	Manufacture and sale of electronic fire equipment	Tourism development	Investment holding	All other segments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2018					
Segment assets	**2,182,518**	**331,140**	**879,964**	**25,068**	**3,418,690**
Unallocated corporate assets					
Property, plant and equipment					**6,790**
Cash and cash equivalents					**14,387**
Others					**28,849**
					50,026
Total assets					**3,468,716**
Segment assets including:					
Investments in associates	**17,567**	**196,840**	**453,220**	**–**	**667,627**
Investments in joint ventures	**–**	**–**	**253,392**	**–**	**253,392**
Additions to non-current assets	**37,732**	**1,296**	**38,461**	**316**	**77,805**
At 31 December 2017					
Segment assets	1,735,444	284,845	1,061,105	29,477	3,110,871
Unallocated corporate assets					
Property, plant and equipment					7,493
Cash and cash equivalents					45,274
Others					16,913
					69,680
Total assets					3,180,551
Segment assets including:					
Investments in associates	21,866	197,220	466,280	–	685,366
Investments in joint ventures	–	–	316,421	–	316,421
Additions to non-current assets	96,305	873	126,119	–	223,297

Geographical information:

	Revenue		Non-current assets	
	2018	2017	**2018**	2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC except Hong Kong	**1,894,772**	1,601,226	**1,210,395**	1,283,755
The United States	**10,649**	11,841	**12,718**	16,257
Canada	**177**	–	**60,858**	63,135
Others	**129**	8	**48**	–
	1,905,727	1,613,075	**1,284,019**	1,363,147

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

For the years ended 31 December 2018 and 2017, revenue from any single external customer does not attribute to 10% or more of the Group's revenue.

7. FINANCE COSTS

	2018	2017
	RMB'000	*RMB'000*
Interest on bank and other loans	**11,205**	11,209
Net foreign exchange loss	**746**	3,722
	11,951	14,931

8. INCOME TAX EXPENSE

	2018	2017
	RMB'000	*RMB'000*
Current tax		
Provision for the year		
PRC	**81,372**	76,604
Underprovision in prior year		
PRC	**141**	1,195
	81,513	77,799
Deferred tax	**(2,957)**	(1,719)
	78,556	76,080

No provision for Hong Kong Profits Tax is required for the years ended 31 December 2018 and 2017 since the Group had no assessable profit for both years.

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.

Three 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 three subsidiaries are subject to PRC Enterprise Income Tax ("EIT") at a rate of 15% effective for three years within 2019.

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% (2017: 25%).

In 2011, a subsidiary of the Company received an assessment demanding final tax for the year of assessment 2004/2005 from The Hong Kong Inland Revenue Department (the "IRD"). The amount of this assessment was HK$47,852,000 (equivalent to RMB41,928,000) in which HK$47,748,000 (equivalent to RMB41,837,000) 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 2018 and 2017 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 the claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK$47,748,000 (equivalent to RMB41,837,000) will be recognised.

9. PROFIT FOR THE YEAR

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

	2018	2017
	RMB'000	*RMB'000*
Impairment loss on trade and other receivables, net	**30,591**	12,149
Amortisation of other intangible assets and investments in film productions	**3,470**	2,147
Auditors' remuneration	**1,310**	1,780
Cost of inventories sold	**1,012,427**	831,662
Depreciation	**25,720**	22,998
Loss/(gain) from changes in fair value less costs to sell of biological assets	**3,143**	(3,352)
Loss on disposal and written off of property, plant and equipment	**53**	46
Operating leases charges in respect of land and buildings	**20,998**	18,487
Research and development expenditure	**92,771**	66,340
Impairment loss on investments in associates	**–**	4,875

Cost of inventories sold includes staff costs and depreciation of approximately RMB62,605,000 (2017: RMB55,558,000) which are included in the amounts disclosed separately above.

10. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of RMB147,029,000 (2017: RMB170,668,000) and the weighted average number of ordinary shares of 1,378,720,000 (2017: 1,369,157,000) in issue during the year. No adjustment has been made to the basic profit per share amounts presented for the years ended 31 December 2018 and 2017. Therefore, the calculation of the diluted earnings per share is the same as basic earnings per share.

11. DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

12. TRADE AND OTHER RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
Trade and bills receivables	**1,047,884**	733,313
Less: allowance for doubtful debts	**(111,394)**	(81,045)
	936,490	652,268
Advances to staff	**2,392**	2,200
Deposits	**2,381**	2,642
Due from associates	**51,498**	51,178
Due from shareholders	**161**	151
Loans and interest receivables	**1,000**	1,000
Other receivables	**104,877**	40,782
Less: allowance for doubtful debts	**(29,109)**	(29,517)
	133,200	68,436
Advances to suppliers	**11,400**	10,903
Contract assets	**2,475**	–
Prepayments	**20,187**	19,344
Gross amount due from customers for contract work	**–**	2,611
	1,103,752	753,562

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 goods are delivered or services are rendered as this is the point in time that the consideration is unconditional. 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 and bills receivables, based on the date on which the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional, is as follows:

	2018	2017
	RMB'000	*RMB'000*
Less than 3 months	**492,891**	433,569
3 to 6 months	**185,287**	88,628
6 to 12 months	**145,238**	75,084
Over 1 year	**113,074**	54,987
	936,490	652,268

13. TRADE AND OTHER PAYABLES

	2018	2017
	RMB'000	*RMB'000*
Trade payables	**357,116**	259,707
Gross amount due to customers for construction work	**–**	541
Contract liabilities	**61,513**	–
Accruals and other payables	**89,318**	69,327
Salaries and staff welfare payables	**45,343**	43,838
Due to associates	**3,604**	3,507
Due to a shareholder	**2,129**	2,256
Due to related parties	**4,142**	4,087
Advances from customers	**–**	52,221
	563,165	435,484

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	2018	2017
	RMB'000	*RMB'000*
0 to 90 days	**308,081**	203,745
91 to 180 days	**33,786**	35,186
181 to 365 days	**10,972**	11,256
Over 365 days	**4,277**	9,520
	357,116	259,707

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

For the year ended 31 December 2018, manufacture and sale of electronic fire equipment business and tourism development business continued to be the Group's core source of revenue. The Group also continued to be principally engaged in investment holding of diversified portfolios.

Manufacture and sale of electronic fire equipment

The Group focused on research, development, manufacture, marketing and sale of fire safety products, including fire automatic alarm and control linkage system, electrical fire monitoring system, automatic gas fire extinguishing system and gas detection monitoring system. The Group aims to provide comprehensive fire safety solution that integrates fire protection, security, monitoring and intelligent identification. The Group mainly distributes its fire safety products through dealers across the region in the PRC, and actively explores overseas markets. Its headquarter is located in Beijing with main production facilities in Hebei, Beijing and Sichuan, the PRC.

During the year, the Group won "Top 10 Alarm Brand in the Fire Protection Industry in 2018", an industry-recognised award with its leading research and development strength, safe and reliable product performance and excellent service support. The Group has built a strong R&D platform, with independent intellectual property rights, advanced technology, and high-quality team of experts, which was in the leading position in the industry. In 2018, the marketing and service departments actively visited customers and dealers, which enabled the Group to get valuable frontline information for formulating sales policies and product development.

Tourism development

The Group is engaged in provision of environmental shuttle bus service and property management services, and operation of tourist service center and tourist souvenir shops in Hengshan Mountain scenic area, the PRC. The Group also, through investments in associates, participated in several tourism development projects in Hunan Province, including the construction and development of landscape architectures and primary land development of land around the Sonya Lake region at Changsha County, and the development of tourist sight project located at Tianzi Mountain.

Fare revenue of environmental shuttle bus service was the main source of income of the Group's tourism development business, which continued to contribute constant profit and cash flow to the Group. Hengshan Mountain is a religious place, where various religious activities were held throughout the year. The Group's performance continued to be benefited from stable arrivals, being dominated by pilgrims, visiting Hengshan Mountain scenic area. During the year under review, the number of tourists and pilgrims at Hengshan Mountain scenic area taking the environmental bus with full-priced ticket recorded stable growth of 5.1% year-on-year to approximately 2.2 million, while the service utilisation rate of the Group's environmental bus service maintained at high level of 92%.

Investment holding

As at 31 December 2018, the Group's investment holding business mainly included investments in Ningbo Jade Bird Venture Capital Investment Co., Ltd., a subsidiary of the Group (a private equity fund with equity investments in private enterprises in the PRC principally engaged in manufacturing and sale of light-emitting diode related products and e-commerce business), the investments in financial assets at fair value through other comprehensive income including listed companies in Hong Kong and a private enterprise in the PRC, investments in associates and joint ventures which were private equity funds with investments in private enterprises in the PRC, and the investment in co-production of films and television dramas in the PRC. During the year, the Group did not effect any material additional new investments.

Outlook

Looking ahead, the Group's manufacture and sale of electronic fire equipment business will focus on strengthening the R&D team and optimizing the composition of personnel. The Group will always adheres to the investment and construction of human resources and recruiting high calibre talents to provide guarantee for the improvement of the product quality. The Group will also continue to increase its support to the dealers and hence their market competitiveness by assisting to build excellent teams.

The number of tourists and pilgrims visiting Hengshan Mountain scenic area is expected to stable in 2019. The Group will strive for keeping high utilization rate of the environmental bus and maintaining steady performance of the tourism development business. The Group will be well-positioned to further benefit from the participation in various tourism development projects in the PRC.

Maintaining a diversified investment portfolio is the Group's long-term investment strategy. In view of expected higher volatility ahead, the Group will monitor the performance of the existing investment portfolio and carefully assess investment opportunities in the market.

Financial review

Manufacture and sale of electronic fire equipment

Revenue generated from the manufacture and sale of electronic fire equipment business increased from approximately RMB1.461 billion in 2017 to approximately RMB1.748 billion in 2018, representing a steady growth of 19.6%. The continuous strong sales performance was mainly due to brand loyalty and advantages and industry recognition of the Group's fire safety solutions with excellent quality and after-sales services, and additions of new production lines and advanced equipment enabling the Group's production capacity. The Group has obtained international certifications for its fire safety products, which further stimulated sales growth.

Tourism development

For the year ended 31 December 2018, the Group's tourism development business continued to experience steady growth and recorded revenue of approximately RMB138.8 million (2017: RMB132.8 million), representing an increase by 4.5% when compared with the corresponding year of 2017. Such increase was mainly attributable to the increase in number of visitors to Hengshan Mountain scenic area during the year.

Investment holding

The segment total assets of investment holding business decreased from approximately RMB1,061.1 million as at 31 December 2017 to approximately RMB880.0 million as at 31 December 2018, representing an decrease of 17.1%, mainly as a result of increase in asset price volatility in the fourth quarter which let to the overall decrease in fair value of the financial assets held by the Group and its associates and joint ventures. For the year ended 31 December 2018, a gain on disposal of approximately RMB1.3 million (2017: Nil) was transferred to retained profits as a result of disposal of certain financial assets held by the Group.

Overall performance

During the year under review, the Group continued to strengthen the performance of its manufacture and sale of electronic fire equipment and tourism development segments, while maintaining a diversified investment portfolio for its investment holding segment, and the Group recorded revenue of approximately RMB1.906 billion, representing an increase of 18.2% as compared with approximately RMB1.613 billion in 2017. Gross profit rose 13.6% year-on-year to approximately RMB841.3 million (2017: RMB740.4 million), as a result of the increase in turnover and maintaining a stable gross profit ratio of 44% (2017: 46%). The Group reported a comparatively higher cost of sales, in particular the cost of materials, and a lower gross profit ratio comparing with last year. Impairment loss on trade and other receivables increased to approximately RMB30.6 million (2017: RMB12.1 million) as a result of increase in the Group's revenue and trade receivables. The Group's total operating expenses, including distribution costs, administrative expenses and other expenses, were increased by 16.8% to approximately RMB379.7 million (2017: RMB325.2 million), following to the continued growth of the Group's main businesses, in particular the increase in distribution costs in line with better sales performance and the increase in research and development costs to maintain the Group's competitiveness and advantages. During the reporting year, the Group's associate incurred loss from its property development project in the PRC, which led to the increase in the Group's share of loss of associates to approximately RMB38.8 million (2017: RMB3.8 million). Despite of a record high turnover, profit attributable to owners of the Company decreased 13.9% year-on-year to approximately RMB147.0 million (2017: RMB170.7 million), mainly because of the increase in the Group's share of loss of associates.

Financial position

As at 31 December 2018, the Group's financial position remained solid and the Group's current ratio (being ratio of current assets and current liabilities) and the gearing ratio (being measured by total interest-bearing debts to total equity), which are key performance indicators of the Group's short-term solvency position and financial leverage, were 2.49 (2017: 2.28) and 8.5% (2017: 8.9%) respectively.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after reporting period of the Group.

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 2018.

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 2018.

AUDIT COMMITTEE

The Company has established the audit committee (the "Audit Committee") with written terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The Audit Committee is accountable to the Board. Its primary duties include monitoring the financial reporting system and risk management and internal control systems of the Group, reviewing financial information, and advising the Board on engagement and independence of independent auditor.

The Audit Committee currently comprises four independent non-executive Directors, namely Mr. Shao Jiulin, Mr. Li Juncai, Mr. Li Chonghua and Mr. Shen Wei. Mr. Shao Jiulin is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the financial reporting matters including the annual results for the year ended 31 December 2018 with the management and the independent auditor.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2018 have been agreed by the Group's independent auditor, RSM Hong Kong ("RSM"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by RSM in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by RSM on this preliminary announcement.

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

Beijing, the PRC
20 March 2019

As at the date of this announcement, Mr. Ni Jinlei, Mr. Zhang Wanzhong and Ms. Zheng Zhong are executive Directors, Ms. Xue Li, Mr. Xiang Lei and Mr. Ip Wing Wai are non-executive Directors and Mr. Shao Jiulin, Mr. Li Juncai, Mr. Li Chonghua and Mr. Shen Wei 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".