



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 2019**

**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.**

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

## RESULTS

The board of Directors (the “Board”) announces the annual consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019, together with the comparative figures as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2019*

	<i>Notes</i>	<b>2019</b> <b>RMB'000</b>	2018 <i>RMB'000</i> (re-presented)
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	4	<b>155,232</b>	157,442
Cost of sales and services		<u>(56,821)</u>	<u>(55,937)</u>
<b>Gross profit</b>		<b>98,411</b>	101,505
Other gains and income	5	<b>1,377</b>	2,200
Impairment loss on trade and other receivables, net		<b>(6,651)</b>	–
Distribution costs		<b>(1,048)</b>	(1,228)
Administrative expenses		<b>(52,478)</b>	(56,822)
Other expenses		<u>(2,146)</u>	<u>(5,180)</u>
Profit from operations		<b>37,465</b>	40,475
Finance costs	7	<b>(8,962)</b>	(1,840)
Share of losses of associates		<b>(15,118)</b>	(34,472)
Share of losses of joint ventures		<u>(895)</u>	<u>(1,069)</u>
<b>Profit before tax</b>		<b>12,490</b>	3,094
Income tax expense	8	<u>(37,666)</u>	<u>(16,829)</u>
<b>Loss for the year from continuing operations</b>	9	<u>(25,176)</u>	<u>(13,735)</u>
<b>DISCONTINUED OPERATIONS</b>			
<b>Profit for the year from discontinued operations</b>	12	<u>1,527,349</u>	<u>340,246</u>
<b>Profit for the year</b>		<u>1,502,173</u>	<u>326,511</u>

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i> (re-presented)
<b>Other comprehensive income after tax:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value changes of financial assets at fair value through other comprehensive income (“FVTOCI”)	(14,837)	(98,755)
Share of other comprehensive income of associates	(16,308)	(17,419)
Share of other comprehensive income of joint ventures	(182,067)	(71,907)
Income tax on items that will not be reclassified to profit or loss	—	1,485
	<u>(213,212)</u>	<u>(186,596)</u>
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	10,580	15,168
Reclassification of foreign currency translation reserve to profit or loss upon deemed disposal of subsidiaries	(755)	—
	<u>9,825</u>	<u>15,168</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>(203,387)</u>	<u>(171,428)</u>
<b>Total comprehensive income for the year</b>	<u><u>1,298,786</u></u>	<u><u>155,083</u></u>
<b>Profit for the year attributable to:</b>		
Owners of the Company		
Loss for the year from continuing operations	(39,849)	(29,742)
Profit for the year from discontinued operations	1,442,238	176,771
	<u>1,402,389</u>	<u>147,029</u>
Profit for the year attributable to owners of the Company	<u><u>1,402,389</u></u>	<u><u>147,029</u></u>

	<i>Notes</i>	<b>2019</b> <b><i>RMB'000</i></b>	2018 <i>RMB'000</i> (re-presented)
<b>Non-controlling interests</b>			
Profit for the year from continuing operations		<b>14,673</b>	16,007
Profit for the year from discontinued operations		<b>85,111</b>	163,475
		<u>          </u>	<u>          </u>
Profit for the year attributable to non-controlling interests		<b>99,784</b>	179,482
		<u>          </u>	<u>          </u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>1,197,255</b>	(18,106)
Non-controlling interests		<b>101,531</b>	173,189
		<u>          </u>	<u>          </u>
		<b>1,298,786</b>	155,083
		<u>          </u>	<u>          </u>
		<b><i>RMB</i></b>	<b><i>RMB</i></b>
<b>Loss per share from continuing operations</b>			
Basic and diluted (cents per share)	<i>10</i>	<b>(2.9)</b>	(2.2)
		<u>          </u>	<u>          </u>
<b>Earnings per share from discontinued operations</b>			
Basic and diluted (cents per share)	<i>10</i>	<b>104.6</b>	12.8
		<u>          </u>	<u>          </u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	<i>Notes</i>	<b>2019</b> <b>RMB'000</b>	2018 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>154,453</b>	315,628
Goodwill		<b>204</b>	19,847
Other intangible assets		<b>244</b>	4,972
Biological assets		<b>726</b>	1,058
Investments in associates		<b>2,731,853</b>	667,627
Investments in joint ventures		<b>72,273</b>	253,392
Investments in film productions		<b>8,594</b>	10,292
Financial assets at FVTOCI		<b>108,943</b>	135,244
Deposits for potential investments		–	8,000
Deposit for purchase of property, plant and equipment		–	3,203
Deferred tax assets		<b>7,211</b>	16,925
		<u><b>3,084,501</b></u>	<u>1,436,188</u>
<b>Current assets</b>			
Inventories		<b>6,845</b>	238,107
Trade and other receivables	<i>13</i>	<b>221,445</b>	1,103,752
Time deposit with original maturity of more than three months when acquired		–	1,221
Pledged bank deposits		<b>1,200</b>	5,000
Cash and cash equivalents		<b>156,511</b>	684,448
		<u><b>386,001</b></u>	<u>2,032,528</u>
<b>Total assets</b>		<u><b>3,470,502</b></u>	<u>3,468,716</u>
<b>Current liabilities</b>			
Trade and other payables	<i>14</i>	<b>59,402</b>	563,165
Bank and other loans		<b>80,708</b>	225,683
Lease liabilities		<b>3,165</b>	–
Current tax liabilities		<b>32,191</b>	27,651
		<u><b>175,466</b></u>	<u>816,499</u>
<b>Net current assets</b>		<u><b>210,535</b></u>	<u>1,216,029</u>
<b>Total assets less current liabilities</b>		<u><b>3,295,036</b></u>	<u>2,652,217</u>

	<b>2019</b> <i>RMB'000</i>	2018 <i>RMB'000</i>
<b>Non-current liabilities</b>		
Bank and other loans	<b>151,050</b>	–
Lease liabilities	<b>64,954</b>	–
Deferred tax liabilities	<b>3,661</b>	1,802
	<u><b>219,665</b></u>	<u>1,802</u>
<b>NET ASSETS</b>	<u><b>3,075,371</b></u>	<u>2,650,415</u>
<b>Equity</b>		
Share capital	<b>137,872</b>	137,872
Reserves	<b>2,740,349</b>	1,612,363
	<u><b>2,878,221</b></u>	<u>1,750,235</u>
Equity attributable to owners of the Company	<b>197,150</b>	900,180
Non-controlling interests	<u><b>3,075,371</b></u>	<u>2,650,415</u>
<b>TOTAL EQUITY</b>	<u><b>3,075,371</b></u>	<u>2,650,415</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Attributable to owners of the Company									
	Share capital	Capital reserve	Reserve funds	Foreign currency translation 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
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 interests	-	-	-	-	-	-	-	-	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	<u>137,872</u>	<u>562,519</u>	<u>152,577</u>	<u>(44,090)</u>	<u>(45,827)</u>	<u>16,384</u>	<u>970,800</u>	<u>1,750,235</u>	<u>900,180</u>	<u>2,650,415</u>
At 1 January 2019	137,872	562,519	152,577	(44,090)	(45,827)	16,384	970,800	1,750,235	900,180	2,650,415
Total comprehensive income for the year	-	-	-	5,860	(210,994)	-	1,402,389	1,197,255	101,531	1,298,786
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	23,880	23,880
Capital contribution from non-controlling interests	-	-	-	-	-	-	751	751	846	1,597
Discontinued operations	-	-	(59,051)	-	-	(10,969)	-	(70,020)	(829,287)	(899,307)
Transfer	-	-	2,604	-	-	-	(2,604)	-	-	-
Share of transfer of loss on disposal of financial assets at FVTOCI in investments in joint ventures	-	-	-	-	87,320	-	(87,320)	-	-	-
Transfer of gain on disposal of financial assets at FVTOCI	-	-	-	-	(7,464)	-	7,464	-	-	-
Appropriation of safety production fund	-	-	-	-	-	182	(182)	-	-	-
Changes in equity for the year	-	-	(56,447)	5,860	(131,138)	(10,787)	1,320,498	1,127,986	(703,030)	424,956
At 31 December 2019	<u>137,872</u>	<u>562,519</u>	<u>96,130</u>	<u>(38,230)</u>	<u>(176,965)</u>	<u>5,597</u>	<u>2,291,298</u>	<u>2,878,221</u>	<u>197,150</u>	<u>3,075,371</u>

Notes:

## 1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") as a sino-foreign joint stock limited liability company. The Company's H shares are listed on 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 17th Floor, V Heun Building, 138 Queen's Road Central, Central, Hong Kong, respectively.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the development of travel and leisure business, investment holding and production and sales of wine and related products.

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

### (a) Adoption of new/revised HKFRSs – first effective 1 January 2019

In current year, the Group has applied for the first time the following new/revised HKFRSs and amendments issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which is relevant to and effective for the Group's financial statements for annual period beginning on 1 January 2019:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features and Negative Compensation
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

The impact of the adoption of HKFRS 16 Leases have been summarised in below. The other new or amended HKFRSs that are effective from 1 January 2019 did not have any significant impact on the Group's accounting policies.

#### ***HKFRS 16 – Leases***

##### *(i) Impact of the adoption of HKFRS 16*

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases ("HKAS 17"), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee's perspective, almost all leases are recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term lease. From a lessor's perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group's accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (iv) of this note.



The Group has applied HKFRS 16 using the cumulative effect approach and recognised the right-of-use assets at the amount equal to the lease liabilities, adjusted by the amount of any prepayments or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. The comparative information presented in 2018 is not restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following table summarised the impact of transition to HKFRS 16 on consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows (increase/(decrease)):

	<i>RMB'000</i>
Increase in right-of-use assets	83,850
Decrease in leasehold land	(13,818)
Increase in lease liabilities (non-current)	67,725
Increase in lease liabilities (current)	2,307

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 at the end of 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 January 2019:

	<i>RMB'000</i>
Operating lease commitment as of 31 December 2018	29,276
Less: short term leases for which lease terms end within 31 December 2019	(10,871)
Less: leases of low-value assets	(2,072)
Add: leases included in extension option which the Group considers reasonably certain to exercise	103,557
Less: future interest expenses	(49,858)
Total lease liabilities as of 1 January 2019	<u><u>70,032</u></u>

The weighted average lessee's incremental borrowing rates applied to lease liabilities recognised in the consolidated statement of financial position as at 1 January 2019 is 6% per annum.

(ii) *New definition of a lease*

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

(iii) *Accounting as a lessee*

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the consolidated statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group has recognised right-of-use assets and lease liabilities at the commencement date of a lease.

#### Right-of-use asset

This should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liabilities (see below for the accounting policy to account for lease liabilities); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Under the cost model, the Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities.

Leasehold land and buildings which is held for own use would continue to be accounted for under HKAS 16 and would be carried at cost less accumulated depreciation and any impairment loss. The adoption of HKFRS 16 therefore does not have any significant impact on these right-of-use assets. Other than the above right-of-use assets, the Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, right-of-use assets arising from the properties under tenancy agreements are carried at depreciated cost.

#### Lease liabilities

The lease liabilities should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liabilities by: (i) increasing the carrying amount to reflect interest on the lease liabilities; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

(iv) *Transition*

As mentioned above, the Group has applied HKFRS 16 using cumulative effect approach and recognised the right-of-use assets at the amount equal to the lease liabilities, adjusted by the amount of any prepayments or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. The comparative information presented in 2018 is not restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019.

The Group has elected to recognise all the right-of-use assets at 1 January 2019 for leases previously classified operating leases under HKAS 17 as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36 Impairment of Assets at 1 January 2019 to assess if there was any impairment as on that date.

The Group has also applied the follow practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases; (iii) exclude the initial direct costs from the measurement of the right-of-use assets at 1 January 2019 and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int 4.

***HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments***

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

***Amendments to HKFRS 9 – Prepayment Features with Negative Compensation***

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

***Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures***

The amendments clarify that HKFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

***Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKFRS 3, Business Combinations***

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

***Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKFRS 11, Joint Arrangements***

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

***Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKAS 12, Income Taxes***

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

***Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKAS 23, Borrowing Costs***

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

**(b) New/revised HKFRSs that have been issued but are not yet effective**

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a Business <sup>1</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>1</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020.

<sup>2</sup> The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

***Amendments to HKFRS 3 – Definition of a business***

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”.

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions.

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

***Amendments to HKAS 1 and HKAS 8 – Definition of material***

The amendments clarify the definition and explanation of “material”, aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

***Amendments to HKFRS 9, HKAS 39 and HKFRS 7 – Interest Rate Benchmark Reform***

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

***Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group is currently assessing the impact of these new/revised HKFRSs and is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and consolidated financial statements.

**3. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by the HKICPA, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules.

**4. REVENUE**

**Disaggregation of revenue**

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

	Continuing operations		Discontinued operations	
	2019	2018	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>				
Disaggregated by major products or service lines				
– Sales and contract works of embedded system products and related products	–	–	<b>1,111,446</b>	1,748,285
– Rendering of travel and leisure services	<b>138,153</b>	138,849	–	–
– Sales of wine and related products	<b>11,318</b>	9,896	–	–
– Management fee income	<b>5,761</b>	8,697	–	–
	<b>155,232</b>	157,442	<b>1,111,446</b>	1,748,285

The Group derives all revenue from the transfer of goods and services at a point in time except for the revenue from certain travel and leisure services which are recognised over the time.

## 5. OTHER GAINS AND INCOME

	Continuing operations		Discontinued operations	
	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Bank interest income	338	119	1,925	2,219
Government grants (note)	87	238	125	4,060
Interest income from loans to an independent third party	–	1,307	–	–
Share of income from film productions	114	499	–	–
Refund of value-added tax	342	–	5,832	14,744
Gain on bargain purchase	352	–	–	–
Others	144	37	1,383	2,643
	<u>1,377</u>	<u>2,200</u>	<u>9,265</u>	<u>23,666</u>

*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:

- Tourism development – development of travel and leisure business
- Investment holding – holding of fund, debt and equity investment, including management fee income
- All other segments – business activities and operating segments not separately reported, including production and sales of wine and related products
- Manufacture and sale of electronic fire equipment – research, development, manufacture, marketing, contract work and sale of electronic fire alarm systems and related products. This segment was discontinued during the year

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 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:

	Continuing operations				Discontinued operations	
	Tourism development RMB'000	Investment holding RMB'000	All other segments RMB'000	Total RMB'000	Manufacture and sale of electronic fire equipment RMB'000	Total RMB'000
<b>Year ended 31 December 2019</b>						
Revenue from external customers	138,153	5,761	11,318	155,232	1,111,446	1,266,678
Segment profit/(loss)	59,147	(18,010)	(1,873)	39,264	217,335	256,599
Interest income	158	24	156	338	1,925	2,263
Finance costs				(8,962)	(4,228)	(13,190)
Gain on deemed disposal of subsidiaries				-	1,348,433	1,348,433
Unallocated corporate expenses				(18,150)	-	(18,150)
Profit before tax				12,490	1,563,465	1,575,955
<b>Other segment information:</b>						
Impairment loss on trade and other receivables, net	6,651	-	-	6,651	31,004	37,655
Interest expense	5,263	1,530	268	7,061	6,152	13,213
Depreciation and amortisation	8,059	2,228	1,203	11,490	15,980	27,470
Share of profits/(losses) of associates	3,587	(18,705)	-	(15,118)	(2,015)	(17,133)
Share of losses of joint ventures	-	(895)	-	(895)	-	(895)
Income tax expense	15,190	22,474	2	37,666	36,116	73,782
<b>Year ended 31 December 2018</b>						
Revenue from external customers	138,849	8,697	9,896	157,442	1,748,285	1,905,727
Segment profit/(loss)	66,377	(41,138)	(2,407)	22,832	409,867	432,699
Interest income	1,274	25	127	1,426	2,219	3,645
Finance costs				(1,840)	(10,111)	(11,951)
Unallocated corporate expenses				(19,324)	(2)	(19,326)
Profit before tax				3,094	401,973	405,067
<b>Other segment information:</b>						
Impairment loss on trade and other receivables	-	-	-	-	30,591	30,591
Interest expense	1,234	-	305	1,539	9,666	11,205
Depreciation and amortisation	3,185	24	4,236	7,445	21,066	28,511
Share of losses of associates	(380)	(34,092)	-	(34,472)	(4,298)	(38,770)
Share of losses of joint ventures	-	(1,069)	-	(1,069)	-	(1,069)
Income tax expense	16,820	9	-	16,829	61,727	78,556

Information about operating segment assets:

	Continuing operations				Discontinued operations	
	Tourism development RMB'000	Investment holding RMB'000	All other segments RMB'000	Total RMB'000	Manufacture and sale of electronic fire equipment RMB'000	Total RMB'000
<b>At 31 December 2019</b>						
Segment assets	<u>474,769</u>	<u>2,769,775</u>	<u>75,622</u>	<u>3,320,166</u>	<u>-</u>	<u>3,320,166</u>
Unallocated corporate assets						
Property, plant and equipment						6,280
Cash and cash equivalents						102,946
Others						41,110
						<u>150,336</u>
Total assets						<u><u>3,470,502</u></u>
<b>Segment assets including:</b>						
Investments in associates	184,594	2,547,259	-	2,731,853	-	2,731,853
Investments in joint ventures	-	72,273	-	72,273	-	72,273
Additions to non-current assets	<u>69,144</u>	<u>27</u>	<u>400</u>	<u>69,571</u>	<u>37,299</u>	<u>106,870</u>
<b>At 31 December 2018</b>						
Segment assets	<u>331,140</u>	<u>879,964</u>	<u>25,068</u>	<u>1,236,172</u>	<u>2,182,518</u>	<u>3,418,690</u>
Unallocated corporate assets						
Property, plant and equipment						6,790
Cash and cash equivalents						14,387
Others						28,849
						<u>50,026</u>
Total assets						<u><u>3,468,716</u></u>
<b>Segment assets including:</b>						
Investments in associates	196,840	453,220	-	650,060	17,567	667,627
Investments in joint ventures	-	253,392	-	253,392	-	253,392
Additions to non-current assets	<u>1,296</u>	<u>38,461</u>	<u>316</u>	<u>40,073</u>	<u>37,732</u>	<u>77,805</u>

**Geographical information:**

	<b>Revenue</b>		<b>Non-current assets</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<i><b>RMB'000</b></i>	<i>RMB'000</i>	<i><b>RMB'000</b></i>	<i>RMB'000</i>
PRC except Hong Kong	<b>1,248,857</b>	1,894,772	<b>2,956,855</b>	1,210,395
The United States	<b>16,282</b>	10,649	<b>11,492</b>	12,718
Canada	<b>1,539</b>	177	–	60,858
Others	–	129	–	48
	<b>1,266,678</b>	1,905,727	<b>2,968,347</b>	1,284,019

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

For the years ended 31 December 2019 and 2018, revenue from any single external customer does not attribute to 10% or more of the Group's revenue.

**7. FINANCE COSTS**

	<b>Continuing operations</b>		<b>Discontinued operations</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<i><b>RMB'000</b></i>	<i>RMB'000</i>	<i><b>RMB'000</b></i>	<i>RMB'000</i>
Interest on bank and other loans	<b>2,834</b>	1,539	<b>6,152</b>	9,666
Interest on lease liabilities	<b>4,227</b>	–	–	–
Net foreign exchange loss/(gain)	<b>1,901</b>	301	<b>(1,924)</b>	445
	<b>8,962</b>	1,840	<b>4,228</b>	10,111

## 8. INCOME TAX EXPENSE

	Continuing operations		Discontinued operations	
	2019	2018	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax				
Provision for the year				
– Hong Kong ( <i>note (i)</i> )	22,474	–	–	–
– PRC	11,436	15,397	44,700	65,975
(Overprovision)/Underprovision in prior year				
– PRC	(51)	455	(3,689)	(314)
	<u>33,859</u>	<u>15,852</u>	<u>41,011</u>	<u>65,661</u>
Deferred tax	<u>3,807</u>	<u>977</u>	<u>(4,895)</u>	<u>(3,934)</u>
	<u><u>37,666</u></u>	<u><u>16,829</u></u>	<u><u>36,116</u></u>	<u><u>61,727</u></u>

No provision for Hong Kong Profits Tax is required for the years ended 31 December 2019 and 2018 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 Group had been certified by the relevant PRC authorities as high technology enterprises. Pursuant to the Income Tax Law in the PRC, these 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% (2018: 25%).

### *Note (i):*

In 2011, a subsidiary of the Group 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 as the directors opined that the subsidiary had 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 opined that the action of the IRD highly correlated with timing factor because the year of assessment 2004/2005 became statutorily time-barred by the end of March 2011. The assessment of HK\$47,852,000 (equivalent to RMB41,928,000) was considered as contingent liabilities of the Group as at 31 December 2018. During the year ended 31 December 2019 and subsequent to year end date, after several communications with the IRD, the said claim for gain on disposal of long term investment is ultimately determined as a trading profit. The amount of assessment was finalised and amounted to HK\$25,565,000 (equivalent to RMB22,474,000) and recognised in profit or loss.

## 9. PROFIT FOR THE YEAR

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

	Continuing operations		Discontinued operations	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Amortisation of other intangible assets and investments in film productions	2,406	2,382	1,337	1,088
Auditors' remuneration	1,100	1,310	–	–
Cost of inventories sold	34,403	26,013	649,977	986,414
Depreciation charge:				
– Property, plant and equipment owned	4,652	4,383	14,643	21,337
– Right-of-use assets	4,477	–	–	–
(Gain)/Loss from changes in fair value less costs to sell of biological assets	(4)	3,143	–	–
Loss on disposal and written off of property, plant and equipment	–	31	274	22
Operating leases charges in respect of land and buildings under HKAS 17	–	11,667	–	9,331
Short-term leases charges	1,199	–	6,978	–
Research and development expenditure	–	–	56,430	92,771
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Cost of inventories sold includes staff costs and depreciation of approximately RMB77,512,000 (2018: RMB62,605,000) which are included in the amounts disclosed separately above.

## 10. (LOSS)/EARNINGS PER SHARE

### Basic and diluted (loss)/earnings per share

The calculation of basic (loss)/earnings per share from continuing operations and discontinued operations attributable to owners of the Company for the year ended 31 December 2019 is based on the loss for the year attributable to owners of the Company of RMB39,849,000 (2018: RMB29,742,000) and a profit of RMB1,442,238,000 (2018: RMB176,771,000) respectively and the weighted average number of ordinary shares of 1,378,720,000 (2018: 1,378,720,000) in issue during the year. No adjustment has been made to the basic (loss)/earnings per share amounts presented for the year ended 31 December 2019 and 2018. 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 2019 (2018: Nil).

## 12. DISCONTINUED OPERATIONS

Reference is made to the announcement of the Company dated 1 February 2013 and the circular of the Company dated 27 February 2013 on the proposed spin-off of Jade Bird Fire Co., Ltd (formerly Beida Jade Bird Universal Fire Alarm Device Company Limited) (“Jade Bird Fire”), a subsidiary of the Group, and a separate listing of the manufacture and sale of electronic fire equipment business owned and operated by Jade Bird Fire on The Small and Medium Enterprises Board (the “SME Board”) of the Shenzhen Stock Exchange (the “Proposed A Share Listing”). On 19 July 2019, Jade Bird Fire received a written approval issued by the China Securities Regulatory Commission in respect of the initial public offering of Jade Bird Fire (the “Approval”). Pursuant to the Approval, Jade Bird Fire was approved to publicly issue no more than 60 million new shares within 12 months from the date of the Approval. On 8 August 2019, Jade Bird Fire issued the Announcement on the Listing of the Shares Offered under Initial Public Offering, pursuant to which, 60,000,000 shares at a price of RMB17.34. The shares of Jade Bird Fire were listed on the SME Board of the Shenzhen Stock Exchange on 9 August 2019, with stock code 002960. Details were disclosed in the announcement of the Company dated 19 July 2019, 29 July 2019 and 8 August 2019.

Following the completion of the Proposed A Share Listing on 9 August 2019, the equity interest of the Group in Jade Bird Fire was diluted from 51.02% to 38.27%. Jade Bird Fire ceased to be a non-wholly owned subsidiary of the Company and the Group discontinued its business of manufacture and sale of electronic fire equipment. Jade Bird Fire became associate of the Group with effect from the same date and has since been accounted for using the equity method of accounting. Accordingly, Jade Bird Fire was presented as discontinued operations in the consolidated financial statements of the Company for the year ended 31 December 2019. The comparative figures for the year ended 31 December 2018 in these consolidated financial statements have also been re-presented to present Jade Bird Fire as discontinued operations. Financial information relating to the discontinued operations for the period to the date of disposal is set out below. The financial performance presented are for the period from 1 January 2019 to 8 August 2019 and for the year ended 31 December 2018.

	<i>Notes</i>	<b>2019</b> <i>RMB'000</i>	2018 <i>RMB'000</i>
Revenue	4	<b>1,111,446</b>	1,748,285
Cost of sales and services		<b>(656,458)</b>	(1,008,509)
Gross profit		<b>454,988</b>	739,776
Other gains and income	5	<b>9,265</b>	23,666
Impairment loss on trade and other receivables		<b>(31,004)</b>	(30,591)
Distribution costs		<b>(98,436)</b>	(143,718)
Administrative expenses		<b>(50,469)</b>	(79,714)
Other expenses		<b>(63,069)</b>	(93,037)
Finance costs	7	<b>(4,228)</b>	(10,111)
Share of losses of associates		<b>(2,015)</b>	(4,298)
Profit before tax		<b>215,032</b>	401,973
Income tax expense	8	<b>(36,116)</b>	(61,727)
Profit after tax from discontinued operations	9	<b>178,916</b>	340,246
Gain on deemed disposal of subsidiaries		<b>1,348,433</b>	–
Profit from discontinued operations		<b>1,527,349</b>	340,246

### 13. TRADE AND OTHER RECEIVABLES

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Trade and bills receivables	33,678	1,047,884
Less: allowance for doubtful debts	<u>(33,678)</u>	<u>(111,394)</u>
	–	936,490
Advances to staff	1,477	2,392
Deposits	1,165	2,381
Due from associates	67,160	51,498
Due from shareholders	187	161
Loans and interest receivables	1,000	1,000
Other receivables	132,422	104,877
Less: allowance for doubtful debts	<u>(35,921)</u>	<u>(29,109)</u>
	<u>167,490</u>	<u>133,200</u>
Advances to suppliers	31,398	11,400
Contract assets	–	2,475
Prepayments	<u>22,557</u>	<u>20,187</u>
	<u>221,445</u>	<u>1,103,752</u>

The Group's trading terms with its customers were mainly on credit, except for new customers, where payment in advance was sometimes required. The credit period generally ranged from 3 to 6 months, starting from the date on which the goods were delivered or services were rendered as this was the point in time that the consideration was unconditional. Each customer had a maximum credit limit. The Group sought to maintain strict control over its outstanding receivables and had a credit control department to minimise the credit risk. Overdue balances were reviewed regularly by senior management. In view of the aforesaid and the fact that the Group's trade receivables related to a large number of diversified customers, there was no significant concentration of credit risk. Trade receivables were non-interest-bearing.

The ageing analysis of the trade and bills receivables, based on the date on which the goods were delivered or services were rendered as this was the point in time that the consideration was unconditional, was as follows:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Less than 3 months	–	492,891
3 to 6 months	–	185,287
6 to 12 months	–	145,238
Over 1 year	<u>–</u>	<u>113,074</u>
	–	936,490

**14. TRADE AND OTHER PAYABLES**

	<b>2019</b> <i>RMB'000</i>	2018 <i>RMB'000</i>
Trade payables	<b>226</b>	357,116
Contract liabilities	<b>37</b>	61,513
Accruals and other payables	<b>35,394</b>	89,318
Salaries and staff welfare payables	<b>11,390</b>	45,343
Due to associates	<b>4,000</b>	3,604
Due to a shareholder	<b>2,576</b>	2,129
Due to related parties	<b>5,779</b>	4,142
	<u><b>59,402</b></u>	<u>563,165</u>

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

	<b>2019</b> <i>RMB'000</i>	2018 <i>RMB'000</i>
0 to 90 days	<b>222</b>	308,081
91 to 180 days	–	33,786
181 to 365 days	–	10,972
Over 365 days	<b>4</b>	4,277
	<u><b>226</b></u>	<u>357,116</u>



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group is principally engaged in tourism development business and investment holding of diversified portfolios.

Reference is made to the announcement of the Company dated 1 February 2013 and the circular of the Company dated 27 February 2013 on the proposed spin-off of Jade Bird Fire, a subsidiary of the Company, and a separate listing of the manufacture and sale of electronic fire equipment business owned and operated by Jade Bird Fire on the SME Board of the Shenzhen Stock Exchange. On 19 July 2019, Jade Bird Fire received a written approval issued by the China Securities Regulatory Commission in respect of the initial public offering of Jade Bird Fire. Pursuant to the Approval, Jade Bird Fire was approved to publicly issue no more than 60 million new shares within 12 months from the date of the Approval. On 8 August 2019, Jade Bird Fire issued the Announcement on the Listing of the Shares Offered under Initial Public Offering, pursuant to which, 60,000,000 shares at a price of RMB17.34 was issued by Jade Bird Fire. The shares of Jade Bird Fire was listed on the SME Board of the Shenzhen Stock Exchange on 9 August 2019, with stock name “青鳥消防” (Jade Bird Fire) and stock code 002960. Details were disclosed in the announcement of the Company dated 19 July 2019, 29 July 2019 and 8 August 2019. Following the completion of the Proposed A Share Listing on 9 August 2019, the equity interest of the Company in Jade Bird Fire was diluted from 51.02% to 38.27%. Jade Bird Fire ceased to be a non-wholly owned subsidiary of the Company and the Group discontinued its business of manufacture and sale of electronic fire equipment. Jade Bird Fire became associate of the Group with effect from the same date and has since been accounted for using the equity method of accounting.

#### *Tourism development*

The Company, through its subsidiaries and associates, 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; and also 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. The service utilisation rate of the Group's environmental bus service remained stable at 91%.

### *Investment holding*

As at 31 December 2019, the Group's investment holding business mainly included investments in a subsidiary, the associates and joint ventures which are private equity funds with equity investments in private enterprises and property projects in the PRC, 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, 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*

Look ahead, Hengshan Mountain scenic area was temporarily closed during the first quarter of 2020 (the "Closure") due to the policies and measures implemented by the government of the PRC to deter the spread of novel coronavirus pneumonia ("COVID-19") epidemic in the PRC (the "Epidemic"). It is currently expected that due to the Closure and the Epidemic, fare revenue generated from the environmental shuttle bus service of Chuanqi Tourism and therefore the total revenue from continuing operations of the Group for the three months ending 31 March 2020 would decrease. Regarding the investment holding business, in view of the recent uncertainties of global economic environment and in light of the evolving situation regarding the Epidemic, the Group would closely monitor the performance of the existing investment portfolio held by the Group and would only explore investment projects with promising development potential in a prudent manner and carefully assess investment opportunities in the market.

## **Financial Review**

### *Tourism development*

For the year ended 31 December 2019, the Group's tourism development business recorded revenue of approximately RMB138.2 million (2018: RMB138.8 million), representing a decrease by 0.4% when compared with the corresponding year of 2018. Such slight decrease was mainly due to the implementation of travel scheme for elderly and students in 2019 and no rime scenery at Hengshan Mountain in December 2019.

### *Investment holding*

This segment total assets increased from approximately RMB880.0 million as at 31 December 2018 to approximately RMB2,770.0 million as at 31 December 2019, representing an increase of 214.8%, mainly as a result of reclassification of equity interest in Jade Bird Fire held by the Company as an associate under investment holding business after the completion of the Proposed A Share Listing of Jade Bird Fire. For the year ended 31 December 2019, a gain on disposal of approximately RMB7.5 million was transferred to retained profits as a result of disposal of certain financial assets held by the Group.

### *Overall performance*

The Group's tourism development segments continued to be the core source of revenue from continuing operations. The Group's revenue and gross profit from continuing operations for the year ended 31 December 2019 remained steady at approximately RMB155.2 million (2018: RMB157.4 million) and approximately RMB98.4 million (2018: RMB101.5 million) respectively. The Group's total operation expenses, including distribution costs, administrative expenses and other expenses, remained steady at approximately RMB55.7 million (2018: RMB63.2 million). Profit attributable to the owners of the Company increased by 854.0% to approximately RMB1,402.4 million (2018: RMB147.0 million), because of the recognition of the gain on deemed disposal of Jade Bird Fire of approximately RMB1,348.4 million upon the completion of the Proposed A Share Listing of Jade Bird Fire in 2019.

### *Financial position*

As at 31 December 2019, 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 2.20 (2018: 2.49) and 9.8% (2018: 8.5%) respectively. Increase in the gearing ratio was mainly due to the raise of additional bank and other loans for business operations and the recognition of lease liabilities of approximately RMB70.0 million as a result of initial application of new financial reporting standard regarding leases.

### **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to year end date, in January 2020, the outbreak of COVID-19 has impact on the business environment in the PRC. Hengshan Mountain scenic area was temporarily closed from 25 January 2020 to 26 February 2020 due to the policies and measures implemented by the government of the PRC to deter the spread of Epidemic in the PRC. Chuanqi Tourism Investment Co., Ltd. ("Chuanqi Tourism"), a subsidiary of the Company, is engaged in provision of environmental shuttle bus service, property management services and operation of tourist service center and tourist souvenir shops in Hengshan Mountain scenic area. The place of operation of Chuanqi Tourism reopened on 27 February 2020. It is expected that due to the Closure and the Epidemic, fare revenue generated from the environmental shuttle bus service of Chuanqi Tourism would decrease and the operating results of the Group would be affected.

Up to the date of these financial statements, the Group will keep continuous attention on the development and situation of the COVID-19 and react actively to its impact on the financial position and operating results 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 2019.

## **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 2019.

## **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 2019 with the management and the independent auditor.

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO 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 BDO on the preliminary announcement.

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

Beijing, the PRC  
30 March 2020

*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”.*