



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 2015**

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

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

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

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

RESULTS

The board of Directors (the “Board”) announces the annual consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Turnover	4	1,072,045	903,974
Cost of sales and services		<u>(607,692)</u>	<u>(523,047)</u>
Gross profit		464,353	380,927
Other gains and income	5	67,199	68,930
Distribution costs		(67,355)	(56,728)
Administrative expenses		(102,949)	(120,222)
Other expenses		(77,052)	(50,137)
Profit from operations		284,196	222,770
Finance costs	7	(12,332)	(16,333)
Share of losses of associates		(12,285)	(6,049)
Share of losses of joint ventures		(21,873)	(3,774)
Profit before tax		237,706	196,614
Income tax expense	8	(43,002)	(29,512)
Profit for the year	9	194,704	167,102
Other comprehensive income after tax: <i>Items that may be reclassified to profit or loss:</i>			
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets		(1,808)	(52,646)
Fair value changes of available-for-sale financial assets		15,432	43,852
Exchange differences on translating foreign operations		20,884	1,239
Share of other comprehensive income of associates		53,069	–
Share of other comprehensive income of joint ventures		51,538	(33,882)
Income tax relating to change in fair value of available-for-sale financial assets		(9,697)	–
Other comprehensive income for the year, net of tax		129,418	(41,437)
Total comprehensive income for the year		324,122	125,665
Profit for the year attributable to:			
Owners of the Company		75,998	100,844
Non-controlling interests		118,706	66,258
		194,704	167,102
Total comprehensive income for the year attributable to:			
Owners of the Company		205,000	59,371
Non-controlling interests		119,122	66,294
		324,122	125,665
Earnings per share		RMB	RMB
Basic and diluted (cents per share)	10	6.4	8.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment		210,460	102,885
Investment property		–	6,617
Goodwill		20,404	20,251
Other intangible assets		7,363	10,777
Biological assets		4,602	4,646
Investments in associates		646,601	483,317
Investments in joint ventures		243,478	198,564
Available-for-sale financial assets		143,000	122,070
Deposits paid for potential investments		58,000	20,000
Deferred tax assets		9,931	3,015
		<u>1,343,839</u>	<u>972,142</u>
Current assets			
Inventories		126,797	91,467
Trade and other receivables	12	492,245	345,211
Time deposits with original maturity of more than three months when acquired		1,150	1,078
Cash and cash equivalents		313,760	365,688
		<u>933,952</u>	<u>803,444</u>
Assets classified as held for sale		–	80,077
		<u>933,952</u>	<u>883,521</u>
Total assets		<u>2,277,791</u>	<u>1,855,663</u>

	<i>Note</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Current liabilities			
Trade and other payables	<i>13</i>	328,210	223,611
Bank loans		218,099	207,770
Finance lease payables		–	59
Current tax liabilities		31,570	22,322
		<u>577,879</u>	<u>453,762</u>
Liabilities directly associated with assets classified as held for sale		–	2,159
		<u>577,879</u>	<u>455,921</u>
Net current assets		<u>356,073</u>	<u>427,600</u>
Total assets less current liabilities		<u>1,699,912</u>	<u>1,399,742</u>
Non-current liabilities			
Deferred tax liabilities		<u>9,697</u>	–
NET ASSETS		<u>1,690,215</u>	<u>1,399,742</u>
Capital and reserves			
Share capital		118,480	118,480
Reserves		<u>1,174,049</u>	<u>969,049</u>
Equity attributable to owners of the Company		1,292,529	1,087,529
Non-controlling interests		<u>397,686</u>	<u>312,213</u>
TOTAL EQUITY		<u>1,690,215</u>	<u>1,399,742</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to owners of the Company									
	Share capital RMB'000	Capital reserve RMB'000	Reserve funds RMB'000	Foreign currency translation reserve RMB'000	Investment revaluation reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
At 1 January 2014	118,480	377,720	93,954	(77,707)	91,881	12,552	411,453	1,028,333	250,283	1,278,616
Total comprehensive income for the year	-	-	-	1,357	(42,830)	-	100,844	59,371	66,294	125,665
Transfer	-	-	15,000	-	-	-	(15,000)	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	15,400	15,400
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(347)	(347)
Change of equity interests in a subsidiary without change in control	-	-	-	27	-	-	(202)	(175)	175	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(19,592)	(19,592)
Changes in equity for the year	-	-	15,000	1,384	(42,830)	-	85,642	59,196	61,930	121,126
At 31 December 2014	<u>118,480</u>	<u>377,720</u>	<u>108,954</u>	<u>(76,323)</u>	<u>49,051</u>	<u>12,552</u>	<u>497,095</u>	<u>1,087,529</u>	<u>312,213</u>	<u>1,399,742</u>
At 1 January 2015	118,480	377,720	108,954	(76,323)	49,051	12,552	497,095	1,087,529	312,213	1,399,742
Total comprehensive income for the year	-	-	-	20,468	108,534	-	75,998	205,000	119,122	324,122
Transfer	-	-	4,844	-	-	-	(4,844)	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(11,557)	(11,557)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(22,092)	(22,092)
Changes in equity for the year	-	-	4,844	20,468	108,534	-	71,154	205,000	85,473	290,473
At 31 December 2015	<u>118,480</u>	<u>377,720</u>	<u>113,798</u>	<u>(55,855)</u>	<u>157,585</u>	<u>12,552</u>	<u>568,249</u>	<u>1,292,529</u>	<u>397,686</u>	<u>1,690,215</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 Unit 7605, 76th Floor, The Center, 99 Queen's Road Central, Hong Kong respectively.

The Company is engaged in the marketing and sale of embedded system products and related products. The principal activities of its subsidiaries are the research, development, manufacture, marketing, contract work and sale of electronic fire alarm systems and related products, 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 GEM Listing Rules and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

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

(a) Application of new and revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2015:

Amendment to HKFRS 8 (Annual Improvements to HKFRSs 2010–2012 Cycle)

The amendment requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, and clarifies that reconciliations of the total of the reportable segments' assets to the entity's assets are required only if the segment assets are reported regularly. These clarifications had no effect on the Group's consolidated financial statements.

(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 2015. The directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKAS 1	Disclosure Initiative ³
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ³
Amendments to HKAS 27	Equity Method in Separate Financial Statements ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle ³

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after a date to be determined. Earlier application is permitted.

³ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

(c) New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year. Although the Company is not incorporated in Hong Kong, the GEM Listing Rules require the Company to comply with the disclosure requirements of the new Hong Kong Companies Ordinance (Cap. 622). As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(d) Amendments to the GEM Listing Rules

The Stock Exchange in April 2015 released revised Chapter 18 of the GEM Listing Rules in relation to disclosure of financial information in annual reports that are applicable for accounting periods ending on or after 31 December 2015, with earlier application permitted. The Company has adopted the amendments resulting in changes to the presentation and disclosures of certain information in the consolidated financial statements.

4. TURNOVER

The Group's turnover which represents the net invoiced value of goods sold and services rendered to customers, after allowances for returns and trade discounts and net of sales tax are as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Sales and contract works of embedded system products and related products	942,455	783,930
Rendering of travel and leisure services	112,311	106,462
Sales of wine and related products	11,146	11,293
Management fee income	6,133	2,289
	<u>1,072,045</u>	<u>903,974</u>

5. OTHER GAINS AND INCOME

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Bank interest income	940	800
Dividend income	–	126
Gain on disposal of available-for-sale financial assets	2,004	52,646
Gain on disposal of investment property	1,526	–
Gain on disposal of property, plant and equipment	124	–
Gain on disposal of subsidiaries	26,050	218
Government grants (<i>note</i>)	22,838	8,404
Interest income from loans to others	53	–
Rental income	840	1,122
Reversal of allowance for other receivables	18	240
Reversal of allowance for trade receivables	6,326	1,899
Others	6,480	3,475
	<u>67,199</u>	<u>68,930</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:

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.

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

Information about reportable segment profit or loss:

	Manufacture and sale of electronic fire equipment <i>RMB'000</i>	Tourism development <i>RMB'000</i>	Investment holding <i>RMB'000</i>	All other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2015					
Revenue from external customers	942,259	112,311	6,133	11,342	1,072,045
Segment profit/(loss)	249,601	50,843	(34,493)	861	266,812
Interest income	436	323	34	200	993
Finance costs					(12,332)
Unallocated corporate expenses					(17,767)
Profit before tax					<u>237,706</u>
Other segment information:					
Allowance for:					
doubtful other receivables	643	24,553	-	-	25,196
doubtful trade receivables	14,848	-	-	-	14,848
Interest expenses	4,787	10,627	-	330	15,744
Depreciation and amortisation	10,193	6,525	24	2,036	18,778
Share of losses of associates	-	(1,968)	(10,317)	-	(12,285)
Share of losses of joint ventures	-	-	(21,873)	-	(21,873)
Income tax expense	<u>35,885</u>	<u>6,785</u>	<u>1</u>	<u>331</u>	<u>43,002</u>
Year ended 31 December 2014					
Revenue from external customers	783,734	106,462	2,289	11,489	903,974
Segment profit/(loss)	175,326	19,570	38,732	(2,052)	231,576
Interest income	509	150	42	99	800
Unallocated other gains and income					84
Finance costs					(16,333)
Unallocated corporate expenses					(19,513)
Profit before tax					<u>196,614</u>
Other segment information:					
Allowance for:					
doubtful other receivables	304	-	-	-	304
doubtful trade receivables	12,823	-	-	-	12,823
Interest expenses	4,356	10,470	-	303	15,129
Depreciation and amortisation	9,040	11,056	10	2,108	22,214
Share of profits/(losses) of associates	-	147	(6,196)	-	(6,049)
Share of losses of joint ventures	-	-	(3,774)	-	(3,774)
Income tax expense/(credit)	<u>27,299</u>	<u>6,116</u>	<u>110</u>	<u>(4,013)</u>	<u>29,512</u>

Information about reportable segment assets:

	Manufacture and sale of electronic fire equipment	Tourism development	Investment holding	All other segments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2015					
Segment assets	<u>991,691</u>	<u>292,856</u>	<u>902,045</u>	<u>31,489</u>	<u>2,218,081</u>
Unallocated corporate assets					
Property, plant and equipment					5,352
Cash and cash equivalents					47,313
Others					<u>7,045</u>
					<u>59,710</u>
Total assets					<u><u>2,277,791</u></u>
Segment assets including:					
Investments in associates	–	195,496	451,105	–	646,601
Investments in joint ventures	–	–	243,478	–	243,478
Additions to non-current assets	<u>130,534</u>	<u>122,807</u>	<u>51,939</u>	<u>369</u>	<u>305,649</u>
At 31 December 2014					
Segment assets	<u>681,891</u>	<u>292,208</u>	<u>743,017</u>	<u>29,907</u>	<u>1,747,023</u>
Unallocated corporate assets					
Property, plant and equipment					6,420
Cash and cash equivalents					100,640
Others					<u>1,580</u>
					<u>108,640</u>
Total assets					<u><u>1,855,663</u></u>
Segment assets including:					
Investments in associates	–	74,964	408,353	–	483,317
Investments in joint ventures	–	–	198,564	–	198,564
Additions to non-current assets	<u>14,242</u>	<u>28,023</u>	<u>111,395</u>	<u>366</u>	<u>154,026</u>

Geographical information:

	Revenue		Non-current assets	
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
PRC except Hong Kong	1,060,899	892,681	1,152,780	813,270
Hong Kong	–	–	1	6
The United States	11,146	11,293	22,303	22,966
Canada	–	–	15,824	10,815
	<u>1,072,045</u>	<u>903,974</u>	<u>1,190,908</u>	<u>847,057</u>

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

For the years ended 31 December 2015 and 2014, revenue from any single external customer does not amount to 10% or more of the Group's revenue.

7. FINANCE COSTS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Interest on bank and other loans	15,744	15,129
Net foreign exchange (gain)/losses	(3,412)	1,204
	<u>12,332</u>	<u>16,333</u>

8. INCOME TAX EXPENSE

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Current tax		
Provision for the year		
PRC	49,640	34,099
Hong Kong	331	–
(Over)/under-provision in prior year		
PRC	(53)	304
Hong Kong	–	(4,013)
	<u>49,918</u>	<u>30,390</u>
Deferred tax	<u>(6,916)</u>	<u>(878)</u>
	<u>43,002</u>	<u>29,512</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 December 2015. No provision for Hong Kong Profits Tax is required for the year ended 31 December 2014 since the Group has no assessable profit for that year.

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 2018.

One subsidiary of the Company had been certified by the relevant PRC authorities as software enterprises. Pursuant to the Income Tax Law in the PRC, the subsidiary is subjected to EIT rate of 12.5% effective for five years ending 31 December 2016.

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% (2014: 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 RMB40,090,000) in which HK\$47,748,000 (equivalent to RMB40,003,000) 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 2014 and 2015 as the directors opine that the subsidiary has strong grounds and sufficient evidence to defend the capital nature of the gain. Moreover, the IRD regarded the assessment as protective action and allowed those part of tax relating to the contended capital gain to be held over unconditionally pending the outcome of objection. The directors opine that the action of the IRD highly correlates with timing factor because the year of assessment 2004/2005 became statutorily time-barred by the end of March 2011.

Should the assessment regarding claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK\$47,748,000 (equivalent to RMB40,003,000) will be recognised.

9. PROFIT FOR THE YEAR

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Allowance for doubtful other receivables	25,196	304
Allowance for doubtful trade receivables	14,848	12,823
Allowance for obsolete and slow-moving inventories (included in cost of sales and services)	–	585
Amortisation of other intangible assets		
Included in cost of sales and services	3,265	3,302
Included in administrative expenses	529	1,309
Auditors' remuneration	1,470	1,284
Cost of inventories sold	567,951	474,995
Depreciation	16,193	19,926
Direct operating expenses of investment property that generate rental income	–	763
Loss from changes in fair value less costs to sell to biological assets	86	2,935
Net loss on disposal of property, plant and equipment	64	190
Operating leases charges in respect of land and buildings	8,325	7,823
Research and development expenditure	38,352	33,412
Reversal of allowance for doubtful other receivables	(18)	(240)
Reversal of allowance for doubtful trade receivables	(6,326)	(1,899)
Staff costs (excluding directors' and supervisors' emoluments)		
Wages, salaries and bonuses	130,190	113,664
Social security costs	15,571	13,706
Retirement benefits scheme contributions	13,151	11,319
	158,912	138,689

Cost of inventories sold includes staff costs and depreciation of approximately RMB45,816,000 (2014: RMB38,176,000) 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 RMB75,998,000 (2014: RMB100,844,000) and the weighted average number of ordinary shares of 1,184,800,000 (2014: 1,184,800,000) in issue during the year. No adjustment has been made to the basic profit per share amounts presented for the years ended 31 December 2015 and 2014. 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 2015 (2014: Nil).

12. TRADE AND OTHER RECEIVABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Trade and bills receivables	464,132	334,512
Less: allowance for doubtful debts	<u>(59,987)</u>	<u>(51,465)</u>
	404,145	283,047
Advances to staff	2,729	2,142
Deposits	2,167	1,863
Due from associates	61,848	33,498
Loans and interest receivables	2,982	4,000
Other receivables	29,728	5,449
Less: allowance for doubtful debts	<u>(27,254)</u>	<u>(2,315)</u>
	72,200	44,637
Advances to suppliers	6,800	4,734
Prepayments	3,802	5,528
Gross amount due from customers for contract work	<u>5,298</u>	<u>7,265</u>
	492,245	345,211

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

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
0 to 90 days	309,850	228,902
91 to 180 days	55,595	36,290
181 to 365 days	26,542	14,993
Over 365 days	<u>12,158</u>	<u>2,862</u>
	404,145	283,047

13. TRADE AND OTHER PAYABLES

	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	203,394	133,301
Gross amount due to customers for construction work	1,317	1,821
Accruals and other payables	52,111	42,047
Salaries and staff welfare payables	35,992	26,827
Due to shareholders	872	798
Due to related parties	1,768	809
Due to associates	–	5,495
Advance from customers	32,756	12,513
	<u>328,210</u>	<u>223,611</u>

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

	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	185,833	121,497
91 to 180 days	8,967	1,529
181 to 365 days	1,057	1,313
Over 365 days	7,537	8,962
	<u>203,394</u>	<u>133,301</u>

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

The independent auditor’s report of the Group’s consolidated financial statements for the year ended 31 December 2015 contains a modified auditor’s opinion:

“Emphasis of matter

Without qualifying our opinion, we draw attention to note 12 to the consolidated financial statements. 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 approximately HK\$47,852,000 (equivalent to RMB40,090,000) in which approximately HK\$47,748,000 (equivalent to RMB40,003,000) relating to a claim for gain on disposal of long term investment recognised during the year ended 31 December 2004. On 25 February 2013, the IRD issued a notice to the subsidiary informing that the case has been forwarded to the Appeals Section of the IRD for further processing. The outcome of the tax claim cannot be readily ascertained up to the date of this report. Should the assessment regarding claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK\$47,748,000 (equivalent to RMB40,003,000), will be recognised.”

Extract of note 12 “Income Tax Expense” to the financial statements is as follows:

In 2011, a subsidiary of the Company received an assessment demanding final tax for the year of assessment 2004/2005 from the IRD. The amount of this assessment was HK\$47,852,000 (equivalent to RMB40,090,000) in which HK\$47,748,000 (equivalent to RMB40,003,000) 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 2014 and 2015 as the directors opine that the subsidiary has strong grounds and sufficient evidence to defend the capital nature of the gain. Moreover, the IRD regarded the assessment as protective action and allowed those part of tax relating to the contended capital gain to be held over unconditionally pending the outcome of objection. The directors opine that the action of the IRD highly correlates with timing factor because the year of assessment 2004/2005 became statutorily time-barred by the end of March 2011.

Should the assessment regarding claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK\$47,748,000 (equivalent to RMB40,003,000) will be recognised.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

The Group continued to strengthen its main core businesses including manufacture and sale of electronic fire equipment and tourism development. On the back of the satisfactory performance and the stable customer appetite within the industries, the Group recorded an improvement in turnover of 18.6% to approximately RMB1.072 billion (2014: RMB904.0 million) for the year ended 31 December 2015. During the year, the gross profit reached approximately RMB464.4 million (2014: RMB380.9 million), increased by approximately RMB83.5 million or 21.9% year-on-year, as a result of the record high turnover for the year. The Group achieved a competitive and steady gross profit margin of approximately 43% (2014: 42%). The Group's total expenses, including distribution costs, administrative expenses and other expenses, were increased slightly by 8.9% to approximately RMB247.4 million (2014: RMB227.1 million), mainly as a result of the continued expansion of the Group's operations and increase in allowance for doubtful other receivables. There was no significant change in the amount of bank borrowings during the year and the interests on bank and other loans of approximately RMB15.7 million (2014: RMB15.1 million) included in the finance costs remained stable. Other gains and income, mainly represented by gain on disposal of indirectly wholly owned subsidiaries, gain on disposal of available-for-sale financial assets held by the Group and government subsidy to the Group by the PRC government, was decreased slightly by 2.5% to approximately RMB67.2 million (2014: RMB68.9 million). The Group's profit attributable to owners of the Company was decreased by 24.6% to approximately RMB76.0 million for the year ended 31 December 2015 (2014: RMB100.8 million), despite of a record high turnover mainly because of comparatively less gain arising from disposal of available-for-sale financial assets during the year and the increase in the share of impairment loss of the available-for-sale financial assets held by the Group's joint ventures.

As at 31 December 2015, the Group's current ratio (being the ratio of current assets and current liabilities) and the gearing ratio (being measured by total interest-bearing debts to total equity) was 1.62 (2014: 1.77) and 12.9% (2014: 14.8%) respectively. The Group's financial position remained solid.

Manufacture and sale of electronic fire equipment

The Group generates revenue from the manufacture and sale of fire safety systems, with its main production facilities located at Zhuolu County, Hebei Province. The Group's main 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, are designed for provision of a comprehensive and integration fire safety solution. The Group mainly distributes its products through dealers across the region in the PRC.

For the year ended 31 December 2015, the Group's manufacture and sale of electronic fire equipment business continued to experience steady growth and recorded a turnover of approximately RMB942.3 million (2014: RMB783.7 million), representing an increase by 20.2% when compared with the corresponding year of 2014. As one of the best-known brands of the fire alarm equipment in the PRC, the Group continued to grow its customer base as a result of effective brand buildings for the past fifteen years. With enhancement of the capacity of research and development, the Group focused on delivering top quality and high performance electronic fire equipment products to its customers and hence customer loyalty was established. The concerted effort of the Group and its dealers in expanding the market and increase in competitiveness by launching products with advanced technology and innovation in accordance with newly implemented fire safety standards further enhanced the performance of the Group's manufacture and sale of electronic fire equipment business.

Tourism development

The Group is the environmental shuttle bus operator in Hengshan Mountain scenic area, and fare revenue from tourists and pilgrims is the main source of income of the Group's tourism development business. The Group is also engaged in provision of property management services and operation of tourist souvenir shops in the scenic area. Turnover generated from the Group's tourism development business increased from approximately RMB106.5 million in 2014 to approximately RMB112.3 million in 2015, representing a steady growth of 5.4%. Such growth was mainly attributable to the increase in the number of tourists and pilgrims to Hengshan by 2.7% and the improvement in the service utilization rate from 89% to 93% during the year.

In December 2014, the Group established an associate in the PRC for the purpose of investment and development of travel and leisure business mainly located at Tianzi Mountain, the PRC. The Group expects to diversify the tourism business through participation of tourism development projects.

Investment holding

As at 31 December 2015, the Group's investment holding business mainly included investments in private equity funds (the investment areas of which included private enterprises in the PRC with businesses ranging from the provision of information technology vocational education, insurance business, baby products retailing business, manufacturing and sale of light-emitting diode related products and property development), the equity interests in listed companies in Hong Kong, and the equity interest in a private enterprise in the PRC which is principally engaged in manufacture and sale of light-emitting diode related products. As at 31 December 2015, the total assets of the Group's investment holding business amounted to approximately RMB902.0 million (2014: RMB743.0 million), representing an increase of 21.4%. Such increase was mainly attributable to the net increase in the fair values of the investment portfolio held by the Group and the increase in the deposits paid for potential investments.

During the year, the Group continued to keep on seeking potential investment opportunities in order to further expand its investment portfolio and broaden its source of income by acquisitions of equity interests in companies principally engaged in venture capital investment businesses. On 13 February 2015, a subsidiary of the Company and a connected person of the Company entered into the equity interest transfer agreement, pursuant to which the subsidiary of the Company acquired 20% equity interest in Beijing Xinzongrui Venture Capital Co., Ltd. ("Xinzongrui VC") at a consideration of RMB50,000,000. Xinzongrui VC is a company incorporated in Beijing, the PRC with a registered capital of RMB250 million and its scope of business is venture capital investment, entrusted agency services for venture capital investment business on behalf of other venture capital institutional or individual investors, venture capital investment consultancy, and provision of venture management services for startup companies. Completion of the transfer will be conditional subject to the completion of registration of the transfer with the industrial and commercial administration bureau of the PRC. On 10 August 2015, the Company entered into the equity interest transfer agreement (the "Agreement") with a connected person of the Company to acquire 39% equity interest in Ningbo Jade Bird Venture Capital Investment Co., Ltd. ("Ningbo Jade Bird VC") at a consideration of RMB23,400,000 in cash together with capital contribution commitment of RMB54,600,000. Ningbo Jade Bird VC is a limited liability company established in the PRC and is principally engaged in venture capital investment in companies with innovative and high technology in emerging industries, such as culture, healthcare, new energy and environmental protection. The approval of the independent shareholders' of the Company in respect of the Agreement and the transactions contemplated has been obtained at the special general meeting of the Company on 12 January 2016. Upon the completion of the transfer taken place in January 2016, the Company owned 70% indirect interest in Ningbo Jade Bird VC, and Ningbo Jade Bird VC became a subsidiary of the Company.

Outlook

The Group will step up efforts on the exploration of fire safety market by increasing the support to the dealers, conducting promotion campaign across the region and exploding sales with internet marketing campaign. The Group will also continue to make further investment to research and development and concentrate on building team of high calibre people so as to strengthen our core competitiveness. Meanwhile, the Group will actively work out an international strategic development plan which will help the Group to enter the international market by obtaining further international certifications for our fire safety products.

In the PRC, the mass tourism has become the mainstream. Tourism has evolved from an extravagant lifestyle for only few people to an activity affordable by mass consumers. As tourism becomes an integral part of daily life, development of tourism industry has been high in agenda for many regions, benefiting tourism industry in the PRC with forthcoming opportunities. In addition, the Group's tourism development business will be further benefited by the expected increase in number of pilgrims as a result of the current relaxing restriction on burning incense in the Hengshan Mountain scenic area.

EVENTS AFTER THE REPORTING PERIOD

On 27 January 2016, the Group acquired 100% of the equity interest in Ningbo Xuanbao Sailin Investment Management Company Limited ("Ningbo Xuanbao Sailin") for a consideration of RMB23,400,000. Ningbo Xuanbao Sailin is engaged in investment holding and held 39% equity interests in Ningbo Jade Bird VC.

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 2015.

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 2015, except for the following deviation:

Code Provision A.2.1

The code provision stipulated that the roles of chairman and president should be separate and should not be performed by the same individual.

Subsequent to the resignation of Mr. Xu Zhendong as an executive Director and the chairman of the Company on 5 May 2015, Mr. Zhang Wanzhong, an executive Director, served both roles as the chairman and the president of the Company until the new appointment of Mr. Ni Jinlei on 30 June 2015. The roles of the chairman and the president of the Company were segregated and performed by Mr. Ni Jinlei and Mr. Zhang Wanzhong respectively with effect from 30 June 2015.

AUDIT COMMITTEE

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

The audit committee of the Company has reviewed and discussed the financial reporting matters including the annual results for the year ended 31 December 2015 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 2015 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
22 March 2016

As at the date of this announcement, Mr. Zhang Wanzhong, Ms. Zheng Zhong and Mr. Ip Wing Wai are executive Directors, Mr. Ni Jinlei, Ms. Xue Li and Mr. Zhao Xuedong are non-executive Directors and Mr. Shao Jiulin, Mr. Li Juncai, Mr. Lin Yan and Mr. Li Chonghua 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”.