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 2016

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.

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 2016, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Note	**2016** *RMB'000*	2015 *RMB'000*
Turnover	*4*	**1,412,542**	1,072,045
Cost of sales and services		**(764,842)**	(607,692)
Gross profit		**647,700**	464,353
Gain on bargain purchase of associates		**26,628**	–
Gain on bargain purchase of subsidiaries		**8,735**	–
Other gains and income	*5*	**27,016**	67,199
Distribution costs		**(95,192)**	(67,355)
Administrative expenses		**(123,144)**	(102,949)
Other expenses		**(78,749)**	(77,052)
Profit from operations		**412,994**	284,196
Finance costs	*7*	**(5,969)**	(12,332)
Share of losses of associates		**(54,748)**	(12,285)
Share of losses of joint ventures		**(784)**	(21,873)
Profit before tax		**351,493**	237,706
Income tax expense	*8*	**(68,411)**	(43,002)
Profit for the year	*9*	**283,082**	194,704
Other comprehensive income after tax:			
Items that may be reclassified to profit or loss:			
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets		**–**	(1,808)
Investment revaluation reserve reclassified to profit or loss on step-acquisition of a subsidiary		**(7,260)**	–
Fair value changes of available-for-sale financial assets		**(58,601)**	15,432
Exchange differences on translating foreign operations		**22,335**	20,884
Share of other comprehensive income of associates		**(36,584)**	53,069
Share of other comprehensive income of joint ventures		**26,435**	51,538
Income tax relating to change in fair value of available-for-sale financial assets		**16,713**	(9,697)
Other comprehensive income for the year, net of tax		**(36,962)**	129,418
Total comprehensive income for the year		**246,120**	324,122

	Note	2016 RMB'000	2015 RMB'000
Profit for the year attributable to:			
Owners of the Company		**129,560**	75,998
Non-controlling interests		**153,522**	118,706
		283,082	194,704
Total comprehensive income for the year attributable to:			
Owners of the Company		**100,369**	205,000
Non-controlling interests		**145,751**	119,122
		246,120	324,122
		RMB	RMB
Earnings per share			
Basic and diluted (cents per share)	*10*	**10.5**	6.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Note	2016 RMB'000	2015 RMB'000
Non-current assets			
Property, plant and equipment		**260,460**	210,460
Goodwill		**17,761**	20,404
Other intangible assets		**6,638**	7,363
Biological assets		**1,267**	4,602
Investments in associates		**667,042**	646,601
Investments in joint ventures		**286,923**	243,478
Available-for-sale financial assets		**157,829**	143,000
Deposits paid for potential investments		**19,888**	58,000
Deferred tax assets		**11,272**	9,931
		1,429,080	1,343,839
Current assets			
Inventories		**155,436**	126,797
Trade and other receivables	*12*	**581,492**	492,245
Time deposits with original maturity of more than three months when acquired		**1,234**	1,150
Cash and cash equivalents		**509,341**	313,760
		1,247,503	933,952
Total assets		**2,676,583**	2,277,791

	Note	2016 RMB'000	2015 RMB'000
Current liabilities			
Trade and other payables	*13*	**441,030**	328,210
Bank loans		**166,356**	218,099
Current tax liabilities		**44,770**	31,570
		652,156	577,879
Net current assets		**595,347**	356,073
Total assets less current liabilities		**2,024,427**	1,699,912
Non-current liabilities			
Deferred tax liabilities		**1,616**	9,697
NET ASSETS		**2,022,811**	1,690,215
Capital and reserves			
Share capital		**128,176**	118,480
Reserves		**1,346,461**	1,174,049
Equity attributable to owners of the Company		**1,474,637**	1,292,529
Non-controlling interests		**548,174**	397,686
TOTAL EQUITY		**2,022,811**	1,690,215

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Attributable to owners of the Company									
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Investment revaluation 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 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	118,480	377,720	113,798	(55,855)	157,585	12,552	568,249	1,292,529	397,686	1,690,215
At 1 January 2016	**118,480**	**377,720**	**113,798**	**(55,855)**	**157,585**	**12,552**	**568,249**	**1,292,529**	**397,686**	**1,690,215**
Issued of shares	**9,696**	**72,246**	**-**	**-**	**-**	**-**	**-**	**81,942**	**-**	**81,942**
Capital contribution from non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,691**	**3,691**
Total comprehensive income for the year	**-**	**-**	**-**	**22,677**	**(51,868)**	**-**	**129,560**	**100,369**	**145,751**	**246,120**
Transfer	**-**	**-**	**19,832**	**-**	**-**	**-**	**(19,832)**	**-**	**-**	**-**
Acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,850**	**25,850**
Disposal of a subsidiary without loss of control	**-**	**-**	**-**	**-**	**-**	**-**	**(203)**	**(203)**	**4,584**	**4,381**
Dividend paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(29,388)**	**(29,388)**
Changes in equity for the year	**9,696**	**72,246**	**19,832**	**22,677**	**(51,868)**	**-**	**109,525**	**182,108**	**150,488**	**332,596**
At 31 December 2016	**128,176**	**449,966**	**133,630**	**(33,178)**	**105,717**	**12,552**	**677,774**	**1,474,637**	**548,174**	**2,022,811**

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 of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS 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 2016:

Amendments to HKAS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments to HKAS 1 clarify, rather than significantly change, existing HKAS 1 requirements. The amendments clarify various presentation issues relating to:

- Assessment of materiality versus minimum disclosure requirements of a standard.
- Disaggregation of specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position. There is also new guidance on the use of subtotals.
- Confirmation that the notes do not need to be presented in a particular order.
- Presentation of other comprehensive income items arising from equity-accounted associates and joint ventures.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments simplify the accounting for bearer plants (such as palm oil plantations or vineyards) by including bearer plants in the scope of HKAS 16, such that entities can elect to measure bearer plants at cost. The produce growing on bearer plants will continue to be measured at fair value less costs to sell under HKAS 41. These amendments 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 2016. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 7 Statement of Cash Flows: Disclosure initiative	1 January 2017
Amendments to HKAS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses	1 January 2017
HKFRS 9 Financial Instruments	1 January 2018
HKFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to HKFRS 2 Share-based Payment: Classification and measurement of share-based payment transactions	1 January 2018
Amendments to HKFRS 4: Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 16 Leases	1 January 2019
Amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course.

HKFRS 9 Financial Instruments

The standard replaces HKAS 39 Financial Instruments: Recognition and Measurement.

The standard introduces a new approach to the classification of financial assets which is based on cash flow characteristics and the business model in which the asset is held. A debt instrument that is held within a business model whose objective is to collect the contractual cash flows and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at amortised cost. A debt instrument that is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the instruments and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at fair value through other comprehensive income. All other debt instruments are measured at fair value through profit or loss. Equity instruments are generally measured at fair value through profit or loss. However, an entity may make an irrevocable election on an instrument-by-instrument basis to measure equity instruments that are not held for trading at fair value through other comprehensive income.

The requirements for the classification and measurement of financial liabilities are carried forward largely unchanged from HKAS 39 except that when the fair value option is applied changes in fair value attributable to changes in own credit risk are recognised in other comprehensive income unless this creates an accounting mismatch.

HKFRS 9 introduces a new expected-loss impairment model to replace the incurred-loss impairment model in HKAS 39. It is no longer necessary for a credit event or impairment trigger to have occurred before impairment losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income, an entity will generally recognise 12-month expected credit losses. If there has been a significant increase in credit risk since initial recognition, an entity will recognise lifetime expected credit losses. The standard includes a simplified approach for trade receivables to always recognise the lifetime expected credit losses.

The de-recognition requirements in HKAS 39 are carried forward largely unchanged.

HKFRS 9 substantially overhauls the hedge accounting requirements in HKAS 39 to align hedge accounting more closely with risk management and establish a more principle based approach.

The Group's financial assets that are currently classified as available-for-sale include certain listed and unlisted equity securities. The Group expects to irrevocably designate these equity securities as fair value through other comprehensive income. This will give rise to a change in accounting policy. The listed equity securities are currently measured at fair value with fair value changes recognised in other comprehensive income until disposal or impairment at which point the fair value gains or losses are recycled to profit or loss. Under HKFRS 9 recycling of the fair value gains and losses is not permitted. The unlisted equity securities are currently measured at cost less impairment with any impairment losses recognised in profit or loss. HKFRS 9 requires fair value measurement with fair value changes recognised in other comprehensive income without recycling.

The new expected credit loss impairment model in HKFRS 9 may result in the earlier recognition of impairment losses on the Group's trade receivables and other financial assets. The Group is unable to quantity the impact until a more detailed assessment is completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces all existing revenue standards and interpretations.

The core principle of the standard is that an entity recognises revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to become entitled in exchange for those goods and services.

An entity recognises revenue in accordance with the core principle by applying a 5-step model:

1. Identify the contract with a customer

2. Identify the performance obligations in the contract

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations in the contract

5. Recognise revenue when or as the entity satisfies a performance obligation

The standard also includes comprehensive disclosure requirements relating to revenue.

The Group is currently assessing the impacts of adopting HKFRS 15 on the consolidated financial statements and has identified the following areas that are likely to be affected:

The Group currently recognises revenue from construction contracts over time by reference to the stage of completion of the contract activity in accordance with the requirements in HKAS 11 Construction Contracts. Under HKFRS 15 revenue is recognised over time only if specific criteria are met otherwise revenue is recognised at a point in time which may not be until completion.

HKFRS 15 also introduces new requirements on accounting for contract modifications (variations) and variable consideration (such as claims and incentive payments) which may impact the timing of revenue recognition over the contract period.

In addition, certain costs of obtaining construction contracts which are currently expensed may need to be capitalised.

The Group is unable to estimate the impact of the new standard on the consolidated financial statements until a more detailed analysis is completed.

HKFRS 16 Leases

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

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

The Group's future minimum lease payments under non-cancellable operating leases for its office properties amounted to RMB9,109,000 as at 31 December 2016. The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating leases commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

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:

	2016	2015
	RMB'000	*RMB'000*
Sales and contract works of embedded system products and related products	**1,268,479**	942,455
Rendering of travel and leisure services	**130,043**	112,311
Sales of wine and related products	**10,150**	11,146
Management fee income	**3,870**	6,133
	1,412,542	1,072,045

5. OTHER GAINS AND INCOME

	2016	2015
	RMB'000	*RMB'000*
Bank interest income	**1,095**	940
Gain on disposal of available-for-sale financial assets	**–**	2,004
Gain on disposal of investment property	**–**	1,526
Gain on disposal of property, plant and equipment	**–**	124
Gain on disposal of subsidiaries	**–**	26,050
Government grants *(Note)*	**10,232**	22,838
Interest income from loans to others	**75**	53
Realised gain on reclassification from investment revaluation reserve on step-acquisition of a subsidiary	**7,260**	–
Rental income	**2**	840
Reversal of allowance for other receivables	**1,397**	18
Reversal of allowance for trade receivables	**1,375**	6,326
Others	**5,580**	6,480
	27,016	67,199

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 bank interest income, unallocated other gains and income, finance costs and unallocated corporate expenses. Segment assets do not include unallocated corporate assets. Segement non-current assets do not include available-for-sales financial assets and deferred tax 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 *RMB'000*	Tourism development *RMB'000*	Investment holding *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
Year ended 31 December 2016					
Revenue from external customers	**1,268,479**	**130,043**	**3,870**	**10,150**	**1,412,542**
Segment profit/(loss)	**341,342**	**61,752**	**(18,892)**	**(9,566)**	**374,636**
Interest income	**747**	**188**	**45**	**190**	**1,170**
Finance costs					**(5,969)**
Unallocated corporate expenses					**(18,344)**
Profit before tax					**351,493**
Other segment information:					
Allowance for:					
deposits paid for potential investments	**–**	**–**	**1,000**	**–**	**1,000**
doubtful other receivables	**2,783**	**1,110**	**–**	**–**	**3,893**
doubtful trade receivables	**10,060**	**–**	**–**	**5**	**10,065**
Interest expenses	**6,151**	**5,280**	**–**	**345**	**11,776**
Depreciation and amortisation	**11,062**	**3,639**	**33**	**11**	**14,745**
Share of profit/(losses) of associates	**(3,873)**	**2,438**	**(53,313)**	**–**	**(54,748)**
Share of losses of joint ventures	**–**	**–**	**(784)**	**–**	**(784)**
Income tax expense/(credit)	**52,618**	**15,684**	**116**	**(7)**	**68,411**
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					237,706
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	35,885	6,785	1	331	43,002

Information about reportable segment assets:

	Manufacture and sale of electronic fire equipment *RMB'000*	Tourism development *RMB'000*	Investment holding *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
At 31 December 2016					
Segment assets	**1,337,270**	**273,841**	**933,083**	**30,692**	**2,574,886**
Unallocated corporate assets					
Property, plant and equipment					**7,771**
Cash and cash equivalents					**81,299**
Others					**12,627**
					101,697
Total assets					**2,676,583**
Segment assets including:					
Investments in associates	**6,627**	**197,934**	**462,481**	**–**	**667,042**
Investments in joint ventures	**–**	**–**	**286,923**	**–**	**286,923**
Additions to non-current assets	**92,557**	**3,046**	**88,415**	**336**	**184,354**
At 31 December 2015					
Segment assets	991,691	292,856	902,045	31,489	2,218,081
Unallocated corporate assets					
Property, plant and equipment					5,352
Cash and cash equivalents					47,313
Others					7,045
					59,710
Total assets					2,277,791
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	130,534	122,807	51,939	369	305,649

Geographical information:

	Revenue		Non-current assets	
	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC except Hong Kong	**1,402,392**	1,060,899	**1,201,930**	1,152,780
Hong Kong	**–**	–	**–**	1
The United States	**10,150**	11,146	**15,911**	22,303
Canada	**–**	–	**42,138**	15,824
	1,412,542	1,072,045	**1,259,979**	1,190,908

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

For the years ended 31 December 2016 and 2015, revenue from any single external customer does not attribute to 10% or more of the Group's revenue.

7. FINANCE COSTS

	2016	2015
	RMB'000	*RMB'000*
Interest on bank and other loans	**11,776**	15,744
Net foreign exchange gain	**(5,807)**	(3,412)
	5,969	12,332

8. INCOME TAX EXPENSE

	2016	2015
	RMB'000	*RMB'000*
Current tax		
Provision for the year		
PRC	**68,045**	49,640
Hong Kong	**–**	331
Under/(over)-provision in prior year		
PRC	**1,714**	(53)
Hong Kong	**(7)**	–
	69,752	49,918
Deferred tax	**(1,341)**	(6,916)
	68,411	43,002

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 December 2016. No provision for Hong Kong Profits Tax is required for the year ended 31 December 2015 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 up to 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% (2015: 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 RMB42,804,000) in which HK$47,748,000 (equivalent to RMB42,711,000) 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 2015 and 2016 as the directors opine that the subsidiary has strong grounds and sufficient evidence to defend the capital nature of the gain. Moreover, the IRD regarded the assessment as protective action and allowed those part of tax relating to the contended capital gain to be held over unconditionally pending the outcome of objection. The directors opine that the action of the IRD highly correlates with timing factor because the year of assessment 2004/2005 became statutorily time-barred by the end of March 2011.

Should the assessment regarding the claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK$47,748,000 (equivalent to RMB42,711,000) will be recognised.

9. PROFIT FOR THE YEAR

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

	2016	2015
	RMB'000	*RMB'000*
Allowance for deposits paid for potential investments	**1,000**	–
Allowance for doubtful other receivables	**3,893**	25,196
Allowance for doubtful trade receivables	**10,065**	14,848
Amortisation of other intangible assets	**1,734**	3,794
Auditors' remuneration	**1,700**	1,470
Cost of inventories sold	**723,218**	567,951
Depreciation	**13,011**	16,193
Loss from changes in fair value less costs to sell of biological assets	**3,113**	86
Loss and written off on disposal of property, plant and equipment	**3,319**	64
Operating leases charges in respect of land and buildings	**11,959**	8,325
Research and development expenditure	**53,214**	38,352
Reversal of allowance for doubtful other receivables	**(1,397)**	(18)
Reversal of allowance for doubtful trade receivables	**(1,375)**	(6,326)

Cost of inventories sold includes staff costs and depreciation of approximately RMB50,034,000 (2015: RMB45,816,000) 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 RMB129,560,000 (2015: RMB75,998,000) and the weighted average number of ordinary shares of 1,230,896,000 (2015: 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 2016 and 2015. 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 2016 (2015: Nil).

12. TRADE AND OTHER RECEIVABLES

	2016	2015
	RMB'000	*RMB'000*
Trade and bills receivables	**546,626**	464,132
Less: allowance for doubtful debts	**(68,677)**	(59,987)
	477,949	404,145
Advances to staff	**2,557**	2,729
Deposits	**2,869**	2,167
Due from associates	**64,195**	61,848
Loans and interest receivables	**1,000**	2,982
Other receivables	**45,346**	29,728
Less: allowance for doubtful debts	**(29,736)**	(27,254)
	86,231	72,200
Advances to suppliers	**6,238**	6,800
Prepayments	**8,425**	3,802
Gross amount due from customers for contract work	**2,649**	5,298
	581,492	492,245

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:

	2016	2015
	RMB'000	*RMB'000*
0 to 90 days	**322,037**	309,850
91 to 180 days	**72,075**	55,595
181 to 365 days	**53,638**	26,542
Over 365 days	**30,199**	12,158
	477,949	404,145

13. TRADE AND OTHER PAYABLES

	2016	2015
	RMB'000	*RMB'000*
Trade payables	**263,175**	203,394
Gross amount due to customers for construction work	**1,490**	1,317
Accruals and other payables	**89,146**	52,111
Salaries and staff welfare payables	**45,894**	35,992
Due to shareholders	**848**	872
Due to related parties	**3,464**	1,768
Advance from customers	**37,013**	32,756
	441,030	328,210

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:

	2016	2015
	RMB'000	*RMB'000*
0 to 90 days	**219,734**	185,833
91 to 180 days	**33,025**	8,967
181 to 365 days	**856**	1,057
Over 365 days	**9,560**	7,537
	263,175	203,394

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 2016 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 RMB42,804,000) in which approximately HK$47,748,000 (equivalent to RMB42,711,000) 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 the claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK$47,748,000 (equivalent to RMB42,711,000) 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 Hong Kong Inland Revenue Department (the "IRD"). The amount of this assessment was HK$47,852,000 (equivalent to RMB42,804,000) in which HK$47,748,000 (equivalent to RMB42,711,000) 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 2015 and 2016 as the directors opine that the subsidiary has strong grounds and sufficient evidence to defend the capital nature of the gain. Moreover, the IRD regarded the assessment as protective action and allowed those part of tax relating to the contended capital gain to be held over unconditionally pending the outcome of objection. The directors opine that the action of the IRD highly correlates with timing factor because the year of assessment 2004/2005 became statutorily time-barred by the end of March 2011.

Should the assessment regarding the claim for the gain be finally judged against the subsidiary, current tax liabilities and corresponding income tax expense of HK$47,748,000 (equivalent to RMB42,711,000) will be recognised."

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the year under review, the Group continued to strengthen the performance of its main businesses, including manufacture and sale of electronic fire equipment business, tourism development business and investment holding business. Total turnover of the Group was increased by 31.8% to approximately RMB1.413 billion for the year ended 31 December 2016 (2015: RMB1.072 billion). The Group continued to maintain a competitive gross profit margin of approximately 46% (2015: 43%). As a result of the record high turnover and competitive gross profit ratio, the Group recorded an improvement in gross profit by 39.5% to approximately RMB647.7 million (2015: RMB464.4 million). The Group's total expenses, including distribution costs, administrative expenses and other expenses, were increased by 20.1% to approximately RMB297.1 million (2015: RMB247.4 million), mainly as a result of the continued growth of the Group's operations and the acquisition of subsidiaries during the year. The Group continued to seek potential investment opportunities and the Group recognised gain on bargain purchase of approximately RMB8.7 million and approximately RMB26.6 million as a result of completion of acquisition of subsidiaries and associates respectively during the year ended 31 December 2016. Details of the acquisitions are set out in the section "Investment holding" below. As a result of the satisfactory performance of the main businesses of the Group and recognition of gain on bargain purchase of subsidiaries and associates for the year, the Group's profit attributable to owners of the Company was increased by 70.5% to approximately RMB129.6 million for the year ended 31 December 2016 (2015: RMB76.0 million).

As at 31 December 2016, 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 1.91 (2015: 1.62) and 8.2% (2015: 12.9%) respectively. The Group's financial position remains 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 in Hebei, Beijing and Sichuan, the PRC. 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.

On the back of brand effect and strong customer base, the Group's manufacture and sale of electronic fire equipment business continued to achieve high growth and recorded an increase in turnover of 34.6% to approximately RMB1.268 billion (2015: RMB942.3 million). By introduction of domestic and foreign advanced technology, the Group focused on development of complete product solutions of fire automatic alarm and linkage system under the guidance of the new fire safety standards. The Group further won customer loyalty due to excellent reputation for top quality and high performance electronic fire equipment products. During the year, the Group conducted a number of campaigns to promote its products and solutions and to establish effective communication channels to its customers. Through provision of strong supports to dealers and after-sales services to customers, the Group was benefited from the consistently satisfactory performance in the manufacture and sale of electronic fire equipment business.

Reference is made to the announcements of the Company dated 1 February 2013 and 17 November 2014 and the circular of the Company dated 27 February 2013 on the proposed spin-off of Beida Jade Bird Universal Fire Alarm Device Company Limited ("Jade Bird Fire Alarm"), 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 Alarm on The Small and Medium Enterprises Board of The Shenzhen Stock Exchange (the "Proposed Spin-off"), the Proposed Spin-off is still in progress and the Jade Bird Fire Alarm's listing application is in normal stage.

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. During the year, the Group's associates continued to take part in the 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.

Turnover generated from the Group's tourism development business grew steadily by 15.8% from approximately RMB112.3 million in 2015 to approximately RMB130.0 million in 2016. Approximately 1.84 million arrivals visited Hengshan in 2016, up 9.9% year-on-year and the service utilization rate was further improved from 93% in 2015 to 95% in 2016.

Investment holding

As at 31 December 2016, 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, property development, IT development and solution business, air transport agency and provision of technical consultancy services etc.), 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.

During the year, the Group completed the acquisitions of equity interests in certain private equity funds and fund management companies, that further diversified the Group's investment portfolio. On 5 November 2014 and 10 September 2016, the Company entered into the equity interest transfer agreements with a then connected person of the Company and an independent third party respectively for acquisition of a total of 60% equity interest in Beijing Shengxin Kaiyuan Investment Management Co., Ltd. ("Beijing Shengxin Kaiyuan") at total consideration of RMB1,800,000 together with taking up the capital contribution commitments of RMB1,200,000. Beijing Shengxin Kaiyuan is a company incorporated in Beijing, the PRC and its scope of business is investment management, corporate management, asset management, economy and trade consultancy, investment consultancy, corporate management consultancy, corporate planning and design, public relation services and innovation services. Completion of the transfer took place during the year and Beijing Shengxin Kaiyuan became a subsidiary of the Group.

On 13 February 2015, a subsidiary of the Company and a then 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 Xinzhongrui Venture Capital Co., Ltd. ("Xinzhongrui VC") at a consideration of RMB50,000,000. Xinzhongrui VC is a company incorporated in Beijing, the PRC with a registered capital of RMB250,000,000 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 took place during the year and Xinzhongrui VC become an associate of the Group.

On 10 August 2015, the Company entered into the equity interest transfer agreement (the "Agreement") with a then connected person of the Company to acquire an additional 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 a total of 70% indirect interest in Ningbo Jade Bird VC. Ningbo Jade Bird VC became a subsidiary of the Company.

On 27 May 2016, the Company and a subsidiary of the Company entered into the equity interest transfer agreements with independent third parties for acquisitions of (i) a total of 45% equity interest in Shanghai Shengjin Venture Capital Investment Co., Ltd. ("Shanghai Shengjin VC") at total consideration of RMB27,000,000 in cash together with capital contribution commitment of RMB63,000,000; and (ii) and a total of 30% equity interest in Shanghai Shengyou Venture Investment Management Co., Ltd. ("Shanghai Shengyou") at total consideration of RMB300,000 in cash together with capital commitment of RMB1,200,000. Shanghai Shengjin VC is a company incorporated in Shanghai, the PRC with a registered capital of RMB200,000,000 and its scope of business is venture capital investment in companies with innovative and high growth in industries of new materials, energy saving, environmental protection and high-end equipment manufacturing, investment consultancy and provision of enterprise management services. Shanghai Shengyou is a company incorporated in Shanghai, the PRC with registered capital of RMB5,000,000 and its scope of business is investment management, asset management, corporate management consultancy, business consultancy, investment consultancy and marketing planning. Completion of the transfers took place during the year and Shanghai Shengjin VC and Shanghai Shengyou become associates of the Group.

The total assets of the Group's investment holding business increased from approximately RMB902.0 million as at 31 December 2015 to approximately RMB933.1 million as at 31 December 2016, representing an increase of 3.4%.

Outlook

The Group's manufacture and sale of electronic fire equipment business will continue to emphasize on quality service by strengthening its capacity of research and development and investing in advanced equipment and human resources. The Group will penetrate the market and increase its competitiveness by providing support to the dealers, cooperating with media in the area of product marketing and promotion, setting up regional technical supports and obtaining further international certifications for our fire safety products.

In light of continuous improvement in the living standard at Mainland China, 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.

EVENTS AFTER THE REPORTING PERIOD

On 11 January 2017, the Group entered into a placing agreement with a placing agent to place up to 96,960,000 new H shares at placing price of HK$1.43 (equivalent to approximately RMB1.28) per share to not less than six but not exceeding ten placees. The transactions have been completed on 6 February 2017. Details are set out in the Company's announcement dated 11 January 2017 and 6 February 2017.

On 8 March 2017, the Company completed the acquisition of 40% of the equity interest in Beijing Shengxin Runcheng Investment Management Co., Ltd. ("Beijing Shengxin Runcheng") for a consideration of RMB400,000, which became an associate of the Group. Beijing Shengxin Runcheng is principally engaged in asset management.

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 2016.

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 2016.

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. Lin Yan and Mr. Li Chonghua. 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 2016 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 2016 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 2017

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.