



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 2020**

CHARACTERISTICS OF THE GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

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

RESULTS

The board of Directors (the “Board”) announces the annual consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	<i>Notes</i>	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
CONTINUING OPERATIONS			
Revenue	4	468,414	155,232
Cost of sales and services		<u>(397,275)</u>	<u>(56,821)</u>
Gross profit		71,139	98,411
Other gains and income	5	15,897	1,377
Reversal of impairment loss/ (Impairment loss) on trade and other receivables, net		663	(6,651)
Distribution costs		(1,125)	(1,048)
Administrative expenses		(50,796)	(52,478)
Other expenses		(5,507)	(2,146)
Loss on deemed partial disposal of an associate		(26,815)	–
Gain on disposal of a subsidiary		92,487	–
Profit from operations		95,943	37,465
Finance costs	7	(18,184)	(8,962)
Share of profit/(losses) of associates		3,643	(15,118)
Share of losses of joint ventures		(1,158)	(895)
Profit before income tax		80,244	12,490
Income tax expense	8	(10,351)	(37,666)
Profit/(Loss) for the year from continuing operations	9	69,893	(25,176)
DISCONTINUED OPERATION			
Profit for the year from discontinued operation	12	–	1,527,349
Profit for the year		69,893	1,502,173

	2020	2019
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income after tax:		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value changes of financial assets at fair value through other comprehensive income (“FVTOCI”)	53,302	(14,837)
Share of other comprehensive income of associates	19,412	(16,308)
Share of other comprehensive income of joint ventures	<u>(55,151)</u>	<u>(182,067)</u>
	<u>17,563</u>	<u>(213,212)</u>
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(4,963)	10,580
Reclassification of foreign currency translation reserve to profit or loss upon deemed disposal of subsidiaries	<u>–</u>	<u>(755)</u>
	<u>(4,963)</u>	<u>9,825</u>
Other comprehensive income for the year, net of tax	<u>12,600</u>	<u>(203,387)</u>
Total comprehensive income for the year	<u><u>82,493</u></u>	<u><u>1,298,786</u></u>
Profit for the year attributable to:		
Owners of the Company		
Profit/(Loss) for the year from continuing operations	64,165	(39,849)
Profit for the year from discontinued operation	<u>–</u>	<u>1,442,238</u>
Profit for the year attributable to owners of the Company	<u><u>64,165</u></u>	<u><u>1,402,389</u></u>

	<i>Notes</i>	2020 RMB'000	2019 <i>RMB'000</i>
Non-controlling interests			
Profit for the year from continuing operations		5,728	14,673
Profit for the year from discontinued operation		<u>–</u>	<u>85,111</u>
Profit for the year attributable to non-controlling interests		<u>5,728</u>	<u>99,784</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		77,473	1,197,255
Non-controlling interests		<u>5,020</u>	<u>101,531</u>
		<u>82,493</u>	<u>1,298,786</u>
		RMB	<i>RMB</i>
Earnings/(Loss) per share from continuing operations			
Basic and diluted (cents per share)	<i>10</i>	<u>4.7</u>	<u>(2.9)</u>
Earnings per share from discontinued operation			
Basic and diluted (cents per share)	<i>10</i>	<u>–</u>	<u>104.6</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	<i>Notes</i>	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		235,136	154,453
Goodwill		204	204
Other intangible assets		408	244
Biological assets		2,462	726
Investments in associates		2,619,248	2,731,853
Investments in joint ventures		14,436	72,273
Investments in film productions		3,500	8,594
Financial assets at FVTOCI		172,839	108,943
Deposit for purchase of property, plant and equipment		52,343	–
Deferred tax assets		6,334	7,211
		<u>3,106,910</u>	<u>3,084,501</u>
Current assets			
Inventories		5,817	6,845
Trade and other receivables	<i>13</i>	419,565	221,445
Pledged bank deposits		12,200	1,200
Cash and cash equivalents		118,020	156,511
		<u>555,602</u>	<u>386,001</u>
Total assets		<u>3,662,512</u>	<u>3,470,502</u>
Current liabilities			
Trade and other payables	<i>14</i>	57,141	59,402
Bank and other loans		122,867	80,708
Lease liabilities		2,769	3,165
Current tax liabilities		9,674	32,191
		<u>192,451</u>	<u>175,466</u>
Net current assets		<u>363,151</u>	<u>210,535</u>
Total assets less current liabilities		<u>3,470,061</u>	<u>3,295,036</u>

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Bank and other loans	290,870	151,050
Lease liabilities	62,185	64,954
Deferred tax liabilities	12,170	3,661
	<u>365,225</u>	<u>219,665</u>
NET ASSETS	<u>3,104,836</u>	<u>3,075,371</u>
Equity		
Share capital	137,872	137,872
Reserves	2,817,822	2,740,349
	<u>2,955,694</u>	<u>2,878,221</u>
Equity attributable to owners of the Company	149,142	197,150
Non-controlling interests	<u>3,104,836</u>	<u>3,075,371</u>
TOTAL EQUITY	<u>3,104,836</u>	<u>3,075,371</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Attributable to owners of the Company									
	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Financial asset at FVTOCI reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2019	137,872	562,519	152,577	(44,090)	(45,827)	16,384	970,800	1,750,235	900,180	2,650,415
Total comprehensive income for the year	-	-	-	5,860	(210,994)	-	1,402,389	1,197,255	101,531	1,298,786
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	23,880	23,880
Capital contribution from non-controlling interests	-	-	-	-	-	-	751	751	846	1,597
Discontinued operations	-	-	(59,051)	-	-	(10,969)	-	(70,020)	(829,287)	(899,307)
Transfer	-	-	2,604	-	-	-	(2,604)	-	-	-
Share of transfer of loss on disposal of financial assets at FVTOCI in investments in joint ventures	-	-	-	-	87,320	-	(87,320)	-	-	-
Transfer of gain on disposal of financial assets at FVTOCI	-	-	-	-	(7,464)	-	7,464	-	-	-
Appropriation of safety production fund	-	-	-	-	-	182	(182)	-	-	-
Changes in equity for the year	-	-	(56,447)	5,860	(131,138)	(10,787)	1,320,498	1,127,986	(703,030)	424,956
At 31 December 2019	<u>137,872</u>	<u>562,519</u>	<u>96,130</u>	<u>(38,230)</u>	<u>(176,965)</u>	<u>5,597</u>	<u>2,291,298</u>	<u>2,878,221</u>	<u>197,150</u>	<u>3,075,371</u>
At 1 January 2020	137,872	562,519	96,130	(38,230)	(176,965)	5,597	2,291,298	2,878,221	197,150	3,075,371
Total comprehensive income for the year	-	-	-	(4,536)	17,844	-	64,165	77,473	5,020	82,493
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(53,028)	(53,028)
Appropriation of safety production fund	-	-	-	-	-	97	(97)	-	-	-
Transfer	-	-	11,364	-	-	-	(11,364)	-	-	-
Changes in equity for the year	-	-	11,364	(4,536)	17,844	97	52,704	77,473	(48,008)	29,465
At 31 December 2020	<u>137,872</u>	<u>562,519</u>	<u>107,494</u>	<u>(42,766)</u>	<u>(159,121)</u>	<u>5,694</u>	<u>2,344,002</u>	<u>2,955,694</u>	<u>149,142</u>	<u>3,104,836</u>

Notes:

1. GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "PRC") as a sino-foreign joint stock limited liability company. The Company's H shares are listed on the GEM of the Stock Exchange. The address of its registered office is 3rd Floor, Beida Jade Bird Building, Yanyuan District Area 3, No. 5 Haidian Road, Haidian District, Beijing 100080, the PRC. The addresses of its principal place of business in the PRC and Hong Kong are 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC and 17th Floor, V Heun Building, 138 Queen's Road Central, Central, Hong Kong, respectively.

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

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

(a) Adoption of new/revised HKFRSs – first effective on 1 January 2020

In the current year, the Group has applied for the first time the following new/revised HKFRSs and amendments issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which is relevant to and effective for the Group's financial statements for annual period beginning on 1 January 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19-Related Rent Concessions

The adoption of the above new or amended HKFRSs or amendments did not have any significant impact on the Group's accounting policies.

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

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

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ¹
Amendments to HKFRS 3	References to Conceptual Framework ³
Annual Improvements to HKFRSs 2018-2020 ²	
HK Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴

Notes:

- ¹ Effective for annual periods beginning on or after 1 January 2021.
- ² Effective for annual periods beginning on or after 1 January 2022.
- ³ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.
- ⁴ Effective for annual periods beginning on or after 1 January 2023.
- ⁵ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after or date to be permitted.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Interpretation 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Interpretation 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

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

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

Amendments to HKAS 16, Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16, Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

Annual Improvements to HKFRSs 2018-2020

The annual improvements amend a number of standards, including:

HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to HKFRSs.

HKFRS 9, Financial Instruments, which clarify the fees included in the ‘10 per cent’ test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other’s behalf are included.

HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

HKAS 41, Agriculture, which remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The directors of the Company have performed an assessment on the above new standards, amendments and interpretations and have concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Group’s consolidated financial statements in subsequent years.

3. BASIS OF PREPARATION

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

4. REVENUE

Disaggregation of revenue

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

	Continuing operations		Discontinued operation	
	2020	2019	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15				
Disaggregated by major products or service lines				
– Sales and contract works of embedded system products and related products	–	–	–	1,111,446
– Rendering of travel and leisure services	97,286	138,153	–	–
– Sales of wine and related products	11,357	11,318	–	–
– Management fee income	6,772	5,761	–	–
– Sales of metallic products	352,999	–	–	–
	<u>468,414</u>	<u>155,232</u>	<u>–</u>	<u>1,111,446</u>

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

5. OTHER GAINS AND INCOME

	Continuing operations		Discontinued operation	
	2020	2019	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	639	338	–	1,925
Government grants (<i>note</i>)	3,495	87	–	125
Share of income from film productions	27	114	–	–
Refund of value-added tax	5,794	342	–	5,832
Gain on bargain purchase	–	352	–	–
Financial guarantee income	3,145	–	–	–
Gain on lease termination	9	–	–	–
Penalty income	603	–	–	–
Others	2,185	144	–	1,383
	<u>15,897</u>	<u>1,377</u>	<u>–</u>	<u>9,265</u>

Note: Government grants in 2020 mainly represented the subsidy to the Group by the PRC government as to compensate the loss suffered by the Group since the Hengshan Mountain scenic area was temporarily closed from 25 January 2020 to 26 February 2020 due to the policies and measures implemented by the government of the PRC to deter the spread of novel coronavirus pneumonia (“COVID-19”) epidemic (the “Epidemic”) in the PRC.

6. SEGMENT INFORMATION

The Group determines its operating segments based on its strategic business units that are managed separately by the chief operating decision-maker. Each strategic unit requires different technology, development and marketing strategies.

During the year, the Group had four reportable segments, which were managed separately based on their business nature:

Tourism development	– development of travel and leisure business
Investment holding	– holding of fund, debt and equity investment, including management fee income
Trading of metallic products	– sales and purchases of metallic products (New segment in 2020)
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 to the consolidated financial statements. Segment profits or losses do not include interest income, unallocated other gains and income, finance costs and unallocated corporate expenses. Segment assets do not include unallocated corporate assets. Segment non-current assets do not include financial assets at FVTOCI and deferred tax assets.

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

Information about operating segment profit or loss:

	Continuing operations					Discontinued operations	Total RMB'000
	Tourism development RMB'000	Investment holding RMB'000	Trading of metallic product RMB'000	All other segments RMB'000	Total RMB'000	Manufacture and sale of electronic fire equipment RMB'000	
2020							
Revenue from external customers	97,286	6,772	352,999	11,357	468,414	-	468,414
Segment profit/(loss)	131,291*	(12,501)	(1,235)	1,708	119,263	-	119,263
Interest income					639	-	639
Finance costs					(18,184)	-	(18,184)
Unallocated corporate expenses					(21,474)	-	(21,474)
Profit before income tax					80,244	-	80,244
Other segment information:							
Reversal of impairment loss on trade and other receivables, net	663	-	-	-	663	-	663
Depreciation and amortisation	9,441	435	-	663	10,539	-	10,539
Share of (losses)/profit of associates	(2,634)	6,277	-	-	3,643	-	3,643
Share of losses of joint ventures	-	(1,158)	-	-	(1,158)	-	(1,158)
2019							
Revenue from external customers	138,153	5,761	-	11,318	155,232	1,111,446	1,266,678
Segment profit/(loss)	59,147	(18,010)	-	(1,873)	39,264	217,335	256,599
Interest income					338	1,925	2,263
Finance costs					(8,962)	(4,228)	(13,190)
Gain on deemed disposal of subsidiaries					-	1,348,433	1,348,433
Unallocated corporate expenses					(18,150)	-	(18,150)
Profit before tax					12,490	1,563,465	1,575,955
Other segment information:							
Impairment loss on trade and other receivables, net	6,651	-	-	-	6,651	31,004	37,655
Depreciation and amortisation	8,059	2,228	-	1,203	11,490	15,980	27,470
Share of profit/(losses) of associates	3,587	(18,705)	-	-	(15,118)	(2,015)	(17,133)
Share of losses of joint ventures	-	(895)	-	-	(895)	-	(895)

* Including the gain on disposal of a subsidiary of RMB92,487,000

Information about operating segment assets:

	Continuing operations				Discontinued operations		
	Tourism development RMB'000	Investment holding RMB'000	Trade of metallic products RMB'000	All other segments RMB'000	Total RMB'000	Manufacture and sale of electronic fire equipment RMB'000	Total RMB'000
At 31 December 2020							
Segment assets	<u>623,207</u>	<u>2,745,284</u>	<u>198,467</u>	<u>24,641</u>	<u>3,591,599</u>	<u>-</u>	<u>3,591,599</u>
Unallocated corporate assets							
Property, plant and equipment							5,689
Cash and cash equivalents							13,928
Others							51,296
							<u>70,913</u>
Total assets							<u><u>3,662,512</u></u>
Segment assets including:							
Investments in associates	99,970	2,519,278	-	-	2,619,248	-	2,619,248
Investments in joint ventures	-	14,436	-	-	14,436	-	14,436
Additions to non-current assets	<u>138,203</u>	<u>4</u>	<u>-</u>	<u>6,731</u>	<u>144,938</u>	<u>-</u>	<u>144,938</u>
At 31 December 2019							
Segment assets	<u>474,769</u>	<u>2,769,775</u>	<u>-</u>	<u>75,622</u>	<u>3,320,166</u>	<u>-</u>	<u>3,320,166</u>
Unallocated corporate assets							
Property, plant and equipment							6,280
Cash and cash equivalents							102,946
Others							41,110
							<u>150,336</u>
Total assets							<u><u>3,470,502</u></u>
Segment assets including:							
Investments in associates	184,594	2,547,259	-	-	2,731,853	-	2,731,853
Investments in joint ventures	-	72,273	-	-	72,273	-	72,273
Additions to non-current assets	<u>69,144</u>	<u>27</u>	<u>-</u>	<u>400</u>	<u>69,571</u>	<u>37,299</u>	<u>106,870</u>

Geographical information:

	Revenue		Non-current assets	
	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
PRC except Hong Kong	457,057	1,248,857	2,909,098	2,956,855
The United States	11,357	16,282	18,639	11,492
Canada	—	1,539	—	—
	<u>468,414</u>	<u>1,266,678</u>	<u>2,927,737</u>	<u>2,968,347</u>

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

Revenue from each of the major customers, which amounted to 10% or more of the Group's revenue is set out below:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Customer A*	160,137	—
Customer B*	117,184	—
Customer C*	75,678	—
	<u>352,999</u>	<u>—</u>

* Revenue from three customers were all derived by the segment engaging in trading of metallic products.

7. FINANCE COSTS

	Continuing operations		Discontinued operation	
	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Interest on bank and other loans	13,865	2,834	—	6,152
Interest on lease liabilities	4,062	4,227	—	—
Net foreign exchange loss/(gain)	257	1,901	—	(1,924)
	<u>18,184</u>	<u>8,962</u>	<u>—</u>	<u>4,228</u>

8. INCOME TAX EXPENSE

	Continuing operations		Discontinued operation	
	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax				
Provision for the year				
– Hong Kong (<i>note (i)</i>)	463	22,474	–	–
– PRC	500	11,436	–	44,700
Overprovision/(Underprovision) in prior year				
– PRC	2	(51)	–	(3,689)
	<u>965</u>	<u>33,859</u>	<u>–</u>	<u>41,011</u>
Deferred tax	<u>9,386</u>	<u>3,807</u>	<u>–</u>	<u>(4,895)</u>
	<u><u>10,351</u></u>	<u><u>37,666</u></u>	<u><u>–</u></u>	<u><u>36,116</u></u>

No provision for Hong Kong Profits Tax is required for the years ended 31 December 2020 and 2019 since the Group had no assessable profit for both years.

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

Other subsidiaries of the Group established in the PRC are generally subject to income tax on their taxable income at a tax rate of 25% (2019: 25%).

Note i:

In 2011, a subsidiary of the Group received an assessment demanding final tax for the year of assessment 2004/2005 from the Inland Revenue Department (“IRD”). The amount of this assessment was HK\$47,852,000 (equivalent to RMB41,928,000) in which HK\$47,748,000 (equivalent to RMB41,837,000) relating to a claim for gain on disposal of long term investment recognised in 2004. In 2013, the IRD issued a notice to the subsidiary informing that the case has been forwarded to the Appeals Section of the IRD for further processing. No provision was made as at 31 December 2018 as the directors opined that the subsidiary had strong grounds and sufficient evidence to defend the capital nature of the gain. Moreover, the IRD regarded the assessment as protective action and allowed those part of tax relating to the contended capital gain to be held over unconditionally pending the outcome of objection. The directors opined that the action of the IRD was highly correlated with timing factor because the year of assessment 2004/2005 would become statutorily time-barred by the end of March 2011. During the year ended 31 December 2019, after several communications with the IRD, the said claim for gain on disposal of long term investment is ultimately determined as a trading profit. The amount of assessment was finalised and amounted to HK\$23,565,000 (equivalent to RMB22,474,000) and recognised in profit or loss during the year ended 31 December 2019. The said amount was fully settled during the year ended 31 December 2020.

9. PROFIT FOR THE YEAR

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

	Continuing operations		Discontinued operation	
	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000
Amortisation of other intangible assets and investments in film productions	556	2,406	–	1,337
Auditors' remuneration	1,645	1,100	–	–
Cost of inventories sold	377,351	34,403	–	649,977
Depreciation charge:				
– Plant and equipment owned	6,148	4,652	–	14,643
– Right-of-use assets	4,859	4,477	–	–
Gain from changes in fair value less costs to sell of biological assets	(2,160)	(4)	–	–
Loss on disposal and written off of property, plant and equipment	–	–	–	274
Write off of film production	4,669	–	–	–
Short-term leases charges	1,534	1,199	–	6,978
Research and development expenditure	–	–	–	56,430
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Cost of inventories sold includes staff costs and depreciation of approximately RMB33,440,000 (2019: RMB77,512,000) which are included in the amounts disclosed separately above.

10. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share

The calculation of basic earnings/(loss) per share from continuing operations and discontinued operation attributable to owners of the Company for the year ended 31 December 2020 is based on the profit for the year attributable to owners of the Company of RMB64,165,000 (2019: a loss of RMB39,849,000) and Nil (2019: a profit of RMB1,442,238,000) respectively and the weighted average number of ordinary shares of 1,378,720,000 (2019: 1,378,720,000) in issue during the year. No adjustment has been made to the basic earnings/(loss) per share amounts presented for the year ended 31 December 2020 and 2019. There were no potential ordinary shares outstanding during the years ended 31 December 2020 and 2019, and hence 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 2020 (2019: Nil).

12. DISCONTINUED OPERATIONS

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

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

	<i>Notes</i>	2020 RMB'000	2019 <i>RMB'000</i>
Revenue	4	–	1,111,446
Cost of sales and services		–	(656,458)
Gross profit		–	454,988
Other gains and income	5	–	9,265
Impairment loss on trade and other receivables		–	(31,004)
Distribution costs		–	(98,436)
Administrative expenses		–	(50,469)
Other expenses		–	(63,069)
Finance costs	7	–	(4,228)
Share of losses of associates		–	(2,015)
Profit before tax		–	215,032
Income tax expense	8	–	(36,116)
Profit after tax from discontinued operation	9	–	178,916
Gain on deemed disposal of subsidiaries		–	1,348,433
Profit from discontinued operation		–	1,527,349

13. TRADE AND OTHER RECEIVABLES

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Trade and bills receivables	142,727	33,442
Less: allowance for doubtful debts	<u>(15,814)</u>	<u>(33,442)</u>
	<u>126,913</u>	–
Advances to staff	3,482	1,477
Deposits	2,610	1,165
Due from associates	27,450	67,160
Due from shareholders	185	187
Due from a related party	27	27
Loans and interest receivables	52,963	1,000
Other receivables	214,326	132,395
Less: allowance for doubtful debts	<u>(34,550)</u>	<u>(35,921)</u>
	<u>266,493</u>	<u>167,490</u>
Advances to suppliers	1,945	31,398
Prepayments	<u>24,214</u>	<u>22,557</u>
	<u>419,565</u>	<u>221,445</u>

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 was generally 3 months, starting from the date on which the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforesaid and the fact that the Group's trade receivables relate to a number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Trade receivables, based on the date on which the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional, are aged less than 3 months (2019: Nil):

The carrying amounts of the Group's trade receivables are all denominated in RMB as at 31 December 2020.

14. TRADE AND OTHER PAYABLES

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Trade payables	164	226
Contract liabilities	32	37
Accruals and other payables	34,612	35,394
Salaries and staff welfare payables	14,126	11,390
Due to associates	1,300	4,000
Due to a shareholder	–	2,576
Due to related parties	6,907	5,779
	<u>57,141</u>	<u>59,402</u>

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
0 to 90 days	125	222
91 to 180 days	39	–
Over 365 days	–	4
	<u>164</u>	<u>226</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in tourism development business, investment holding of diversified portfolios and other businesses including sales of metallic products and wine and related products.

Tourism development

The Company, through its subsidiaries and associates, is engaged in provision of environmental shuttle bus service and property management services, and operation of tourist service center and tourist souvenir shops in Hengshan Mountain scenic area, the PRC; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzi Mountain.

Hengshan Mountain scenic area was temporarily closed from 25 January 2020 to 26 February 2020 due to the policies and measures implemented by the government of the PRC to deter the spread of the Epidemic in the PRC, which led to an overall annual decrease in the number of tourists and pilgrims visiting Hengshan Mountain scenic area by about 30%. The service utilisation rate of the Group's environmental bus service remained stable at 92% (2019: 91%).

References are made to the announcements of the Company dated 15 May 2020, 26 June 2020 and 3 September 2020 and the circular of the Company dated 30 June 2020. On 15 May 2020, the Company entered into the sale and purchase agreement (the "SP Agreement") with an independent third party (the "Purchaser") and Chuanqi Tourism Investment Co., Ltd ("Chuanqi Tourism"), a then non-wholly owned subsidiary of the Company, for the disposal of the 60% equity interest in Chuanqi Tourism held by the Company at the consideration of RMB172,028,880 (the "Disposal"); and the guarantee fee arrangement in relation to the release of the guarantee agreement (the "Guarantee Agreement") executed by the Company and the banks dated 31 January 2013 which secured the obligations of Changsha Songya Lake Construction Investment Co., Ltd. ("Songya Lake Construction"), under a facility agreement. The release of the Guarantee Agreement shall be arranged within 12 months from the equity transfer date through negotiation with the banks.

The principal asset of Chuanqi Tourism is the investment in 46.6% equity interest in Songya Lake Construction, and Songya Lake Construction is principally engaged in the construction and development of landscape architectures and primary land development of land around the Sonya Lake Region at Changsha County. Having considered the operating environment and the prevailing market condition in the PRC, in particular, there being uncertainty in the domestic real estate market as a result of the global economic slowdown, including China, in recent years, and the projects carried out by Sonya Lake Construction being undertaken in slow progress because of the softening of the domestic demand, and the increase in difficulty in obtaining funding for the projects as well as the outbreak of COVID-19, the Company was of the view that the Disposal could allow the Group to realize its investment in Sonya Lake Construction and could enable the Group to improve its liquidity and free up capital for its operations and any potential new investment opportunities that can potentially give a better return so as to enhance the shareholder value.

The approvals of the shareholders of the Company in respect of the SP Agreement and the transactions contemplated; and the continuing provision of the guarantee by the Company in accordance with the Guarantee Agreement after the completion of the Disposal (the “Completion”), have been obtained at the special general meeting of the Company held on 21 July 2020. The Completion took place on 3 September 2020 and the Group recorded a gain on disposal of approximately RMB92.5 million for year ended 31 December 2020. As at the date of this announcement, the remaining balance of the consideration of the Disposal of approximately RMB142.0 million, which should have been due since 1 December 2020, i.e. 90 days from the Completion, remained outstanding, while the Purchaser promised to settle all the remaining balance of the consideration on or before 30 June 2021. Taking into account of the negotiations with the Purchaser, the Board was of the view that the remaining balance of the consideration will be fully settled by the Purchaser on or before 30 June 2021.

During the year under review, Chuanqi Tourism Investment (Hunan) Co., Ltd. (“Chuanqi Tourism (Hunan)”), a direct non-wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Chuanqi (Hunan) Enterprise Development Co., Ltd. (“Chuanqi Enterprise”) (which subsequently changed its name to Chuanqi (Hunan) Culture Tourism Co., Ltd in January 2021), an associate of the Group and a connected person of the Company, to acquire a building situated at No.5 Guangji Road, Nanyue District, Hengyang, Hunan, the PRC (the “Property”) at the consideration of RMB45,370,000. The Property would be used for administrative and office use of Chuanqi Tourism (Hunan) to cope with the business development and expansion of the tourism businesses of the Group.

Investment holding

As at 31 December 2020, the Group's investment holding business mainly included investments in a subsidiary, the associates and joint ventures which are private equity funds with equity investments in private enterprises and property projects in the PRC, the investment in Jade Bird Fire, a A share listed company in the PRC, and the investments in financial assets at fair value through other comprehensive income including listed companies in Hong Kong and private companies in the PRC and Hong Kong. During the year, the Group did not effect any material additional new investments.

Trading of metallic products

For the year ended 31 December 2020, the Group commenced sales and purchases of metallic products in the PRC in order to further expand the Group's source of income.

Other businesses

The Group operated a winery, namely The Winery at la Grange, at the State of Virginia, the United States, which owned about 5.6 acres of vineyards and is principally engaged in the production and sales of wine and related products.

Outlook

Looking ahead, although the total number of visitors and the performance of the tourism development business of the Group will still be affected in light of the evolving situation regarding the Epidemic, it is expected the business and financial performance of the Group will not be materially affected in view of the stabilization of the Epidemic in the PRC. The Group will keep continuous attention on the development and situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

The Group would closely monitor the performance of the existing investment portfolio held by the Group and would only explore investment projects with promising development potential in a prudent manner and carefully assess investment opportunities in the market.

FINANCIAL REVIEW

Tourism development

For the year ended 31 December 2020, the Group's tourism development business recorded revenue of approximately RMB97.3 million (2019: RMB138.2 million), representing a decrease by 29.6% when compared with the corresponding year of 2019. At the beginning of the outbreak of the Epidemic, in particular as a result of the temporary closure of Hengshan Mountain scenic during first quarter of 2020, the business and financial performance of the tourism development business was adversely affected, and the revenue from the tourism development business was dropped by 62.9% during the first half of 2020, as compared to the corresponding period in 2019. As the Epidemic stabilized in the PRC, the decrease in the revenue was narrowed to 4.1% during the second half of 2020.

Investment holding

The segment total assets of investment holding business slightly decreased by 0.9% to approximately RMB2,745.3 million as at 31 December 2020 (2019: RMB2,769.8 million). For the year ended 31 December 2020, revenue from the investment holding business, which represented management fee income from the private equity funds managed by the Group, amounted to approximately RMB6.8 million (2019: RMB5.8 million).

Trading of metallic products

For the year ended 31 December 2020, revenue generated from the Group's trading of metallic products business amounted to approximately RMB353.0 million.

Overall performance

During the year, the outbreak of COVID-19 had impact on the business environment in the PRC, and the operating results of the Group were affected. The Group recorded total revenue of approximately RMB468.4 million (2019: RMB155.2 million), representing an increase of 201.8% compared with the corresponding year of 2019. Such increase was mainly attributable to the commencement of metallic products business during the year and the Group recorded sales of metallic products of approximately RMB353.0 million for the year ended 31 December 2020. The gross profit was decreased by 27.7% to approximately RMB71.1 million (2019: RMB98.4 million), as the gross profit generated from the Group's tourism development business was affected by outbreak of COVID-19, in particular, temporary closure of Hengshan Mountain scenic area during first quarter in 2020 which led to further decrease in fare revenue of the environmental shuttle bus service.

In September 2020, the disposal of 60% equity interest in Chuanqi Tourism, a then subsidiary of the Company was completed and the Group recorded a gain on disposal of approximately RMB92.5 million.

Jade Bird Fire, a then subsidiary of the Company, became an associate of the Group with effect from the completion of the listing of the shares of Jade Bird Fire on The Small and Medium Enterprises Board of the Shenzhen Stock Exchange (the “A Share Listing”) in August 2019 and has since been accounted for using the equity method of accounting as the continuing operations of the Group, while the results of Jade Bird Fire before the completion of the spin-off of Jade Bird Fire was presented as discontinued operations in 2019. During the year ended 31 December 2020, as a result of the issue of restricted shares by Jade Bird Fire to its employees, the equity interest in Jade Bird Fire held by the Company was diluted from approximately 38.3% to approximately 37.3% and the Company recorded a loss on deemed partial disposal of an associate of approximately RMB26.8 million for the year.

During the reporting year, the Group recorded a decrease in profit attributable to the owners of the Company by 95.4% to approximately RMB64.2 million, as compared to a profit attributable to the owners of the Company of approximately RMB1,402.4 million for the corresponding period in 2019. Such decrease was mainly attributable to the absence of recognition of a gain on deemed disposal of subsidiaries for the year ended 31 December 2020, as compared to the recognition of a gain on deemed disposal of subsidiaries of approximately RMB1,348.4 million for the year ended 31 December 2019 upon the completion of the A Share Listing of Jade Bird Fire in August 2019.

Financial position

As at 31 December 2020, the Group’s financial position remained solid and the Group’s current ratio (being ratio of current assets and current liabilities) and the gearing ratio (being measured by total loans and lease liabilities to total equity), which are the key position and financial leverage, were 2.89 (2019: 2.20) and 15.4% (2019: 9.8%) respectively. Increase in the gearing ratio was mainly due to the raise of additional bank and other loans for business operations during the year.

EVENTS AFTER THE REPORTING PERIOD

On 20 January 2021, the Board has resolved to approve the proposed issue of not more than 400,000,000 new H shares (the “Shares”) of the Company pursuant to a specific mandate (the “Specific Mandate”) to be sought at a special general meeting and the class meetings of the Company held on 2 March 2021 (the “Meetings”). The Company intended that the net proceeds from the proposed issue of the new H Shares will be applied to funding the business of a subsidiary of the Company and the general working capital of the Company. The approvals of the shareholders of the Company in respect of the grant of the Specific Mandate have been obtained at the Meetings. No new H Shares have been issued pursuant to the Specific Mandate as at the date of this announcement.

On 17 March 2021, the Company entered into a placing agreement with a placing agent to place up to 135,744,000 new H Shares at placing price of HK\$0.50 (equivalent to approximately RMB0.42) per Share to not less than six but not exceeding ten places. The Company intended that the net proceeds from the issue of the new H Shares will be applied to mergers and acquisitions and/or development of new businesses and the general working capital of the Company. The transaction is not yet completed at the date of this announcement.

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 2020.

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 2020.

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. Tang Xuan, Mr. Li Juncai, Mr. Li Chonghua and Mr. Shen Wei. Mr. Tang Xuan 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 2020 with the management and the independent auditor.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO on the preliminary announcement.

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

Beijing, the PRC
26 March 2021

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at “www.jbu.com.cn”.