

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Beijing Beida Jade Bird Universal Sci-Tech Company Limited ("Company"), you should at once hand this circular and the form of proxy and the reply slip for the special general meeting of the Company to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION
AND
(2) NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee
and
the Independent Shareholders



Karl Thomson Financial Advisory Limited

A notice convening the special general meeting of the Company to be held at Room 312, Block A, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC on Thursday, 6 August 2015 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Reply slip and the form of proxy for use at the special general meeting of the Company are also enclosed with this circular.

Whether or not you are able to attend the meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon. For holders of H Shares, you are required to return the form of proxy to the Company's H Share registrar in Hong Kong, Hong Kong Registrars Limited at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. For holders of Promoters Shares, you are required to return the form of proxy to the principal place of business of the Company in Beijing at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC. Whether you are holders of H Shares or Promoters Shares, you are required to return the form of proxy as soon as possible but in any event not less than 24 hours before the time appointed for holding of the meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

This circular will remain on the "Latest Company Announcements" page of the website of GEM at <http://www.hkgem.com> for a minimum period of seven days from the date of its posting and the website of the Company at www.jbu.com.cn.

CHARACTERISTICS OF GEM

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Beida High Tech”	北京北大高科技產業投資有限公司 (Beijing Beida High Technology Investment Co., Ltd. [#]), a limited liability company established in the PRC and an indirectly non wholly-owned subsidiary of Beida Jade Bird
“Beida Jade Bird”	北京北大青鳥有限公司 (Beijing Beida Jade Bird Limited [#]), a limited liability company established in the PRC and a substantial Shareholder
“Beijing Shengxin Kaiyuan”	北京盛信開元投資管理有限公司 (Beijing Shengxin Kaiyuan Investment Management Co., Ltd. [#]), a limited liability company established in the PRC
“Beijing Shengxin Kaiyuan Transaction”	the acquisition of 40% equity interest in Beijing Shengxin Kaiyuan from Jade Bird Software by the Company pursuant to the equity interest transfer agreement dated 5 November 2014 and entered into between the Company and Jade Bird Software, details of which are set out in the Company’s announcement dated 5 November 2014
“Beijing Shengxin Runcheng”	北京盛信潤誠投資管理有限公司 (Beijing Shengxin Runcheng Investment Management Co., Ltd. [#]), a limited liability company established in the PRC
“Beijing Shengxin Runcheng Transaction”	the acquisition of 40% equity interest in Beijing Shengxin Runcheng from Jade Bird Software by the Company pursuant to the equity interest transfer agreement dated 5 November 2014 and entered into between the Company and Jade Bird Software, details of which are set out in the Company’s announcement dated 5 November 2014
“Board”	the board of Directors
“Company”	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 PRC with limited liability with its H Shares listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules

DEFINITIONS

“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“H Share(s)”	overseas-listed foreign invested shares in the ordinary share capital of the Company, with a nominal value of RMB0.1 and subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors (namely Mr. Cai Chuanbing, Mr. Li Juncai, Mr. Shao Jiulin and Mr. Lin Yan)
“Independent Financial Adviser” or “Karl Thomson”	Karl Thomson Financial Advisory Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the VC Equity Interest Transfer Agreement
“Independent Shareholders”	Shareholders other than those who are required by the GEM Listing Rules to abstain from voting on the resolution approving the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder
“Independent Third Party”	the third party which is independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Jade Bird Software”	北京北大青鳥軟件系統有限公司 (Beijing Beida Jade Bird Software System Co., Ltd. [#]), a limited liability company established in the PRC and a shareholder of Beida Jade Bird
“Latest Practicable Date”	5 June 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Ningbo Zhengyuan”	寧波青島正元投資管理有限公司 (Ningbo Jade Bird Zhengyuan Investment Management Co., Ltd. [#]), a limited liability company established in the PRC
“Ningbo Zhengyuan Transaction”	the acquisition of 45% equity interest in Ningbo Zhengyuan from Beida High Tech by the Company pursuant to the equity interest transfer agreement dated 24 October 2014 and entered into between the Company and Beida High Tech, details of which are set out in the Company’s announcement dated 24 October 2014
“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Promoter Shares”	the promoter shares of RMB0.1 each in the issued share capital of the Company
“Purchaser”	北京青島泰盛投資管理有限公司 (Beijing Jade Bird Taisheng Investment Management Co., Ltd. [#]), a direct wholly owned subsidiary of the Company and a company incorporated in the PRC with limited liability
“RMB”	renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at 10:30 a.m. on Thursday, 6 August 2015 at Room 312, Block A, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC for the purpose of considering and, if thought fit, approving the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder
“Shareholder(s)”	shareholder(s) of the Company
“Shenzhen Jade Bird”	深圳市北大青島科技有限公司 (Shenzhen Beida Jade Bird Technology Co., Ltd. [#]), a limited liability company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Supervisor(s)”	the supervisor(s) of the Company
“Supplemental Agreement”	the supplemental agreement to the VC Equity Interest Transfer Agreement dated 28 May 2015 and entered into between the Purchaser and Shenzhen Jade Bird
“VC Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 13 February 2015 and entered into between the Purchaser and Shenzhen Jade Bird in relation to the transfer of the Xinzhongrui VC Equity Interest, as amended and supplemented by the Supplemental Agreement
“Xinzhongrui VC”	北京信中瑞創業投資有限公司 (Beijing Xinzhongrui Venture Capital Co., Ltd. [#]), a limited liability company established in the PRC
“Xinzhongrui VC Equity Interest”	the 20% equity interest in Xinzhongrui VC held by Shenzhen Jade Bird to be transferred to the Purchaser pursuant to the VC Equity Interest Transfer Agreement
“%”	per cent

[#] Denotes English translation of a Chinese Company or entity name and is provided for identification purpose only

LETTER FROM THE BOARD



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)

Executive Director:

Mr. Zhang Wanzhong

Non-executive Director:

Ms. Zheng Zhong

Independent non-executive Directors:

Mr. Cai Chuanbing

Mr. Li Juncai

Mr. Shao Jiulin

Mr. Lin Yan

Registered Office:

3rd Floor, Beida Jade Bird Building
Yanyuan District Area 3
No. 5 Haidian Road
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Beijing 100080, PRC

*Principal Place of Business
in the PRC:*

3rd Floor, Beida Jade Bird Building
No. 207 Chengfu Road
Haidian District
Beijing 100871, PRC

*Principal Place of Business
in Hong Kong:*

Unit 7605, 76th Floor
The Center
99 Queen's Road Central
Hong Kong

11 June 2015

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

As set out in the announcement of the Company dated 13 February 2015 ("**First Announcement**"), the Purchaser, a direct wholly owned subsidiary of the Company, has entered into the VC Equity Interest Transfer Agreement with Shenzhen Jade Bird on 13 February 2015, pursuant to which the Purchaser has conditionally agreed to acquire the Xinzhongrui VC Equity Interest (being 20% equity interest in Xinzhongrui VC) at a consideration of RMB50,000,000 subject to and upon the terms of the VC Equity Interest Transfer Agreement. As set out in the announcement of the Company dated 28 May 2015,

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the Purchaser and Shenzhen Jade Bird entered into the Supplemental Agreement to amend certain terms of the VC Equity Interest Transfer Agreement to the effect that:

- (1) the Purchaser shall pay to Shenzhen Jade Bird (or as it may direct) RMB25,000,000 in cash as deposit within 15 working days after the date of the Independent Shareholders' approval of the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder, instead of within 10 working days after the signing of the VC Equity Interest Transfer Agreement; and
- (2) completion of the transfer of Xinzhongrui VC Equity Interest will also be conditional upon and subject to the registered capital of Xinzhongrui VC as per its articles of association having been fully paid up, in addition to those conditions precedent set out in the paragraph headed "Conditions precedent to the completion of transfer of Xinzhongrui VC Equity Interest" in the First Announcement.

The purpose of this circular is to provide you with information regarding the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder and the notice of the SGM.

THE VC EQUITY INTEREST TRANSFER AGREEMENT

On 13 February 2015, the Purchaser, a direct wholly owned subsidiary of the Company, and Shenzhen Jade Bird entered into the VC Equity Interest Transfer Agreement, the major terms of which are described below.

Date

13 February 2015 (date of the Supplemental Agreement being 28 May 2015)

Parties

- (1) the Purchaser; and
- (2) Shenzhen Jade Bird as the vendor.

Shenzhen Jade Bird is a subsidiary of Beida Jade Bird, a substantial Shareholder who had (direct and indirect) interest in 200,000,000 Promoters Shares (representing approximately 16.88% of the Company's total issued share capital) as at the Latest Practicable Date. Shenzhen Jade Bird is therefore an associate of Beida Jade Bird and a connected person of the Company under the GEM Listing Rules. Shenzhen Jade Bird is principally engaged in development of technologies of electronics and communication products and equity investments.

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Nature of transaction

Pursuant to the VC Equity Interest Transfer Agreement, the Purchaser has conditionally agreed to acquire 20% equity interest in Xinzhongrui VC held by Shenzhen Jade Bird.

Upon completion of the transfer of Xinzhongrui VC Equity Interest, the Company will own 20% indirect equity interest in Xinzhongrui VC through the Purchaser, and will own additional indirect interest in Xinzhongrui VC through its 40% equity interest in Beijing Shengxin Kaiyuan, upon completion of the Beijing Shengxin Kaiyuan Transaction. As at the Latest Practicable Date, Beijing Shengxin Kaiyuan owned 1% interest in Xinzhongrui VC.

Consideration

The consideration payable by the Purchaser in respect of the transfer of Xinzhongrui VC Equity Interest is RMB50,000,000. The Purchaser has agreed to pay to Shenzhen Jade Bird (or as it may direct) RMB25,000,000 in cash as deposit within 15 working days after the date of the Independent Shareholders' approval of the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder, and the remaining RMB25,000,000 in cash within 30 working days from the date of completion of the transfer of Xinzhongrui VC Equity Interest. As at the Latest Practicable Date, the Purchaser had not yet paid the above deposit.

The consideration of the VC Equity Interest Transfer Agreement was determined after arm's length negotiations between the Purchaser and Shenzhen Jade Bird by reference to the capital contribution made by Shenzhen Jade Bird to Xinzhongrui VC as at the date of the VC Equity Interest Transfer Agreement (i.e. RMB50,000,000).

Conditions precedent to the completion of transfer of Xinzhongrui VC Equity Interest

Completion of the transfer of Xinzhongrui VC Equity Interest will be conditional upon and subject to:

- (i) the Independent Shareholders' approval of the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder (including but not limited to the transfer of the Xinzhongrui VC Equity Interest);
- (ii) waiver by Xinzhongrui VC and its shareholders of their respective pre-emptive right in the Xinzhongrui VC Equity Interest;
- (iii) completion of registration of transfer of Xinzhongrui VC Equity Interest with the industrial and commercial administration bureau of the PRC;
- (iv) completion of audit of Xinzhongrui VC for the financial year ended 31 December 2014, and the audited net asset value of Xinzhongrui VC as at 31 December 2014 being not less than RMB112,945,000; and
- (v) the registered capital of Xinzhongrui VC as per its articles of association having been fully up.

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If any of the above conditions precedent have not been fulfilled at or before 5:00 p.m. on 31 December 2015 (or such later date as may be agreed by the Purchaser and Shenzhen Jade Bird in writing) ("**Long Stop Date**"), the VC Equity Interest Transfer Agreement (save and except for the clauses regarding refund of deposit, confidentiality and other general provisions) shall cease and determine, and Shenzhen Jade Bird shall refund the deposit in the amount of RMB25,000,000 to the Purchaser within 10 working days, and thereafter neither the Purchaser nor Shenzhen Jade Bird shall make any claim against each other under the VC Equity Interest Transfer Agreement, save for clauses relating to refund of deposit, confidentiality and other general provisions and any antecedent breaches of the terms of the VC Equity Interest Transfer Agreement.

Completion of the transfer of the Xinzhongrui VC Equity Interest will be considered as having taken place on the date of fulfillment of all conditions precedent under the VC Equity Interest Transfer Agreement.

According to the articles of association of Xinzhongrui VC ("**Xinzhongrui AA**") and the promoters' agreement entered into between the existing shareholders of Xinzhongrui VC ("**Xinzhongrui Shareholders' Agreement**"), shareholders of Xinzhongrui VC are entitled to the first right of refusal in the event of the transfer of equity interest of Xinzhongrui VC to parties other than existing shareholders of Xinzhongrui VC on the same terms and conditions. Under the first right of refusal, the transferring shareholder(s) of Xinzhongrui VC shall notify the non-transferring shareholder(s) by way of written notice, which should include the quantity of equity interest to be transferred, the transferee of such equity interest and the conditions of such transfer. If the non-transferring shareholder(s) do not reply within 30 working days after written notice has been given by the transferring shareholder(s), the non-transferring shareholder(s) shall be deemed to have waived their first right of refusal conferred by the Xinzhongrui AA and Xinzhongrui Shareholders' Agreement.

None of the conditions precedent above can be waived. As at the Latest Practicable Date, conditions precedent (iv) above had been fulfilled.

Information on Xinzhongrui VC

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. As at the Latest Practicable Date, Xinzhongrui VC was managed and was owned as to 1% by Beijing Shengxin Kaiyuan, being an asset management company and the target company in the Beijing Shengxin Kaiyuan Transaction which would be owned as to 40% by the Company upon completion of the Beijing Shengxin Kaiyuan Transaction. The transfer of Xinzhongrui VC Equity Interest pursuant to the VC Equity Interest Transfer Agreement and the Beijing Shengxin Kaiyuan Transaction are not inter-conditional. As at the Latest Practicable Date, the Beijing Shengxin Kaiyuan Transaction was in the process of registration with the industrial and commercial administration bureau of the PRC, and completion of the Beijing Shengxin Kaiyuan Transaction has not yet taken place.

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As at the Latest Practicable Date, the registered capital of Xinzhongrui VC was RMB250,000,000, RMB166,250,000 of which have been paid up; and Shenzhen Jade Bird had contributed RMB50,000,000 which was required to be contributed by it. As advised by the PRC legal adviser to the Company, the failure of shareholders of Xinzhongrui VC (other than Shenzhen Jade Bird) to fully pay up the registered capital before the due date (i.e. 16 February 2015) generally will not affect Xinzhongrui VC and its shareholders who have fully paid up their portion of the registered capital of Xingzhongrui VC. The Company expects that the registered capital of Xinzhongrui VC will be fully paid up by its shareholders before the Long Stop Date (i.e. 31 December 2015).

Xinzhongrui VC is principally engaged in venture capital investment and provision of venture management services for startup companies. Xinzhongrui VC generates revenue through equity investment in startup companies in the high-technology and innovative industries and provision of the venture capital investment consultancy services, by way of dividend and/or gain realised on disposal of investment (including disposal after initial public offering of the invested companies).

Xinzhongrui VC had entered into a venture capital fund management agreement (“**Xinzhongrui Management Agreement**”) with Beijing Shengxin Kaiyuan, pursuant to which Beijing Shengxin Kaiyuan agreed to act as the fund and asset manager of Xinzhongrui VC and as agent in the operation of investments of Xinzhongrui VC.

According to the Xinzhongrui Management Agreement, Xinzhongrui VC will focus on equity investment focuses in private startup companies, with the following investment criteria:

- (i) amount equals to not less than 70% of the cash which Xinzhongrui AC entrusts or appoints Beijing Shengxin Kaiyan to manage (“**Entrusted Assets**”) shall be invested in Beijing companies;
- (ii) amount equals to not less than 80% of the Entrusted Assets shall be invested in software and IT services industries and remaining shall be in high-technology enterprises;
- (iii) amount equals to not less than 60% of the Entrusted Assets shall be invested in companies in innovative enterprises in the startup stage of development (i.e. established for not more than 5 years, number of employees is not more than 300, number of employees directly involved in research and development is not less than 20% of the total number of employees, total asset value is not more than RMB30,000,000, annual turnover is not more than RMB30,000,000) or innovative enterprises in the preliminary and interim stages of development (i.e. number of employees is not more than 500, total asset value is not more than RMB200,000,000, annual turnover is not more than RMB200,000,000);

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- (iv) the investment in any entity shall not exceed 20% of the register capital of Xinzhongrui VC;
- (v) total investment into any entity not within the group of Xinzhongrui VC shall be not more than 90% of the paid-up register capital of Xinzhongrui VC; and
- (vi) the period of investment in new projects shall be 4 years, upon expiry of which Xinzhongrui shall only further invest in existing projects.

According to the Xinzhongrui Management Agreement, other than the investment decisions which shall be determined by the board of directors or shareholders of Xinzhongrui VC, investment decision made by Beijing Shengxin Kaiyuan on behalf of Xinzhongrui VC shall be approved by an investment decision committee in Beijing Shengxin Kaiyuan (“**Committee**”), the setting up of which had been approved by the board of directors of Xinzhongrui VC. The Committee has 5 members and any investment decision shall be approved by unanimous consent of 4 members in the Committee.

Under the Xinzhongrui Management Agreement, the Committee shall review and consider approval of proposed investment projects. Immediately upon approval of the investment project, the Committee shall sign a compliance undertaking and shall provide such compliance undertaking to each director and supervisor of Xinzhongrui VC. Beijing Shengxin Kaiyuan shall then provide a detailed report on due diligence review and investment proposals to Xinzhongrui VC.

As at the Latest Practicable Date, Xinzhongrui VC was investing in the equity interest of four private enterprises whose principal businesses are related to the emerging industries. The basic information and the financial performance of the four private enterprises are summarized as follows:

	Investment Capital (RMB)	Investment Period	Principal Businesses
Company A	30,000,000	Since October 2012	Air transport agency and provision of ticket purchasing service
Company B	16,880,000	Since May 2013	Development, manufacture of digital certificate technology and information security system

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	Investment Capital (RMB)	Investment Period	Principal Businesses
Company C	33,000,000	Since January 2014	Provision of technical consulting service, project design and implementation
Company D	35,000,000	Since May 2012	Design of intelligent building management system and the provision of technical consulting services

Company A

Company A is a joint venture company established in 1993 and it has been providing ticket purchasing services for more than 10 years.

The customers of Company A have been mainly divided into three categories. The first category is a foreign corporate clients. Company A offers them with comprehensive travel procurement services, including reservation of air tickets and train tickets, hotel, conference tourism and ticket delivery service. The second category of customer is the government ministries and institutions and companies. They generally require services such as airfare and train booking services. The third category of customer is small ticket agents and travel agents.

According to its latest financial statements for the financial year ended 31 December 2014, the turnover and the net profit after tax of Company A amounted to approximately RMB169 million and RMB22.5 million respectively. Its sale amount is ranked at top five in the industry. Because of its leading market share, Company A has established a long term business relationship with both domestic and international airlines.

Company B

Company B is an IT security solutions provider in the PRC. Its principal businesses include provision of certificate authority services and products and information security services. Since its establishment in 2003, Company B has been providing comprehensive solutions on certificate authority to its clients for more than 10 years and it has established a national wide certificate authority service network and product line.

The two major security solution products developed by Company B contain a hardware authentication solution product and a dynamic password software product. In addition, the enhanced service products of Company B include dual-link intelligent validation, two-dimensional code security number, voice-print biometrics and image retrieval. Currently, the products of Company B have been widely used in the B2B e-commerce platforms, the C2C e-commerce platforms and domestic third-party payment platforms in the PRC.

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As stated in the latest financial statements of Company B, the turnover and the net profit after tax of Company B for the financial year ended 31 December 2014 amounted to approximately RMB21 million and RMB13.5 million respectively.

Company C

Company C is a high technology enterprise which principally engaged in technical consulting, project design and project implementation in the PRC. The project currently engaged by Company C is relating to a new technology called mild gasification of coal, which is introduced from America. The technology could facilitate the production of coal products and tar for higher quality. Company C has already obtained the approval for patent for the implantation of technology and thus it currently owns the patents and sub-patent rights for the technology in the PRC. Since the business is still at its early stage of development, no revenue and a net loss of approximately RMB5 million was recorded by Company C for the financial year ended 31 December 2014.

Company D

Company D was established in 2001 and has been regarded as one of the high technology enterprises in Beijing.

The principal businesses of Company D include the provision of e-government, electronic records management, broadcasting and electronic services, intelligent building engineering and fire facilities, as well as hardware and software systems integration engineering. According to its latest financial statements, Company D achieved revenue of approximately RMB318 million for the financial year ended 31 December 2014, representing an increase of approximately 48% over the previous year.

Financial information of Xinzhongrui VC

The total asset value and the net asset value of Xinzhongrui VC as at 31 December 2014 are approximately RMB136,389,000 and RMB118,889,000 respectively.

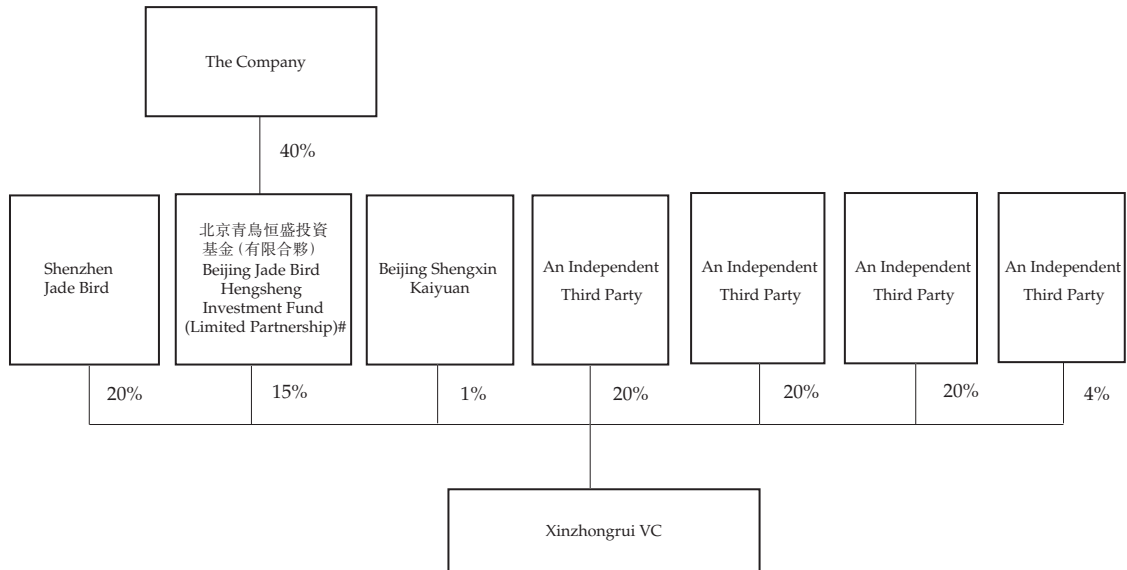
The net loss before and after taxation and extraordinary items of Xinzhongrui VC for the year ended 31 December 2013 is approximately RMB1,884,000 and RMB1,884,000 respectively, and net loss before and after taxation and extraordinary items of Xinzhongrui VC for the year ended 31 December 2014 is approximately RMB2,395,000 and RMB2,395,000 respectively.

LETTER FROM THE BOARD

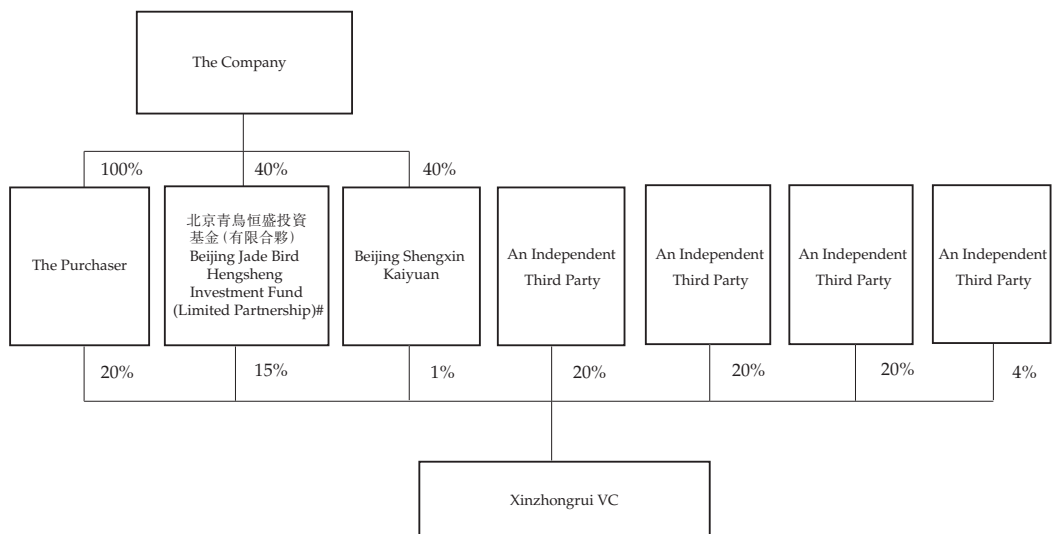
Shareholding structure of Xinzhongrui VC

The following diagrams set out the shareholding structures of Xinzhongrui VC immediately before and after completion of the Beijing Shengxin Kaiyuan Transaction and the transfer of the Xinzhongrui VC Equity Interest.

- (1) immediately before completion of the Beijing Shengxin Kaiyuan Transaction and the transfer of Xinzhongrui VC Equity Interest:



- (2) immediately after completion of the Beijing Shengxin Kaiyuan Transaction and the transfer of Xinzhongrui VC Equity Interest:



LETTER FROM THE BOARD

Immediately before completion of the Beijing Shengxin Kaiyuan Transaction and the transfer of Xinzhongrui VC Equity Interest, the 15% equity interest in Xinzhongrui VC held by Beijing Jade Bird Hengsheng Investment Fund (Limited Partnership) (“**HS Fund**”) is accounted for as an available-for-sale financial asset of HS Fund, while HS Fund is an associated company of the Group, and the net assets and the results of HS Fund are accounted for in the Group’s consolidated financial statements under equity method.

Immediately after completion of the Beijing Shengxin Kaiyuan Transaction and the transfer of Xinzhongrui VC Equity Interest, (i) the accounting treatment for the 15% equity interest in Xinzhongrui VC held by HS Fund will remain unchanged; (ii) the 1% equity interest in Xinzhongrui VC held by Beijing Shengxin Kaiyuan will be accounted for as an available-for-sale financial asset of Beijing Shengxin Kaiyuan, Beijing Shengxin Kaiyuan will become an associated company of the Company and the net assets and the results of Beijing Shengxin Kaiyuan will be accounted for in the Group’s consolidated financial statements under the equity method; and (iii) Xinzhongrui VC will become an associated company of the Group, and the net assets and the results of Xinzhongrui VC will be accounted for in the Group’s consolidated financial statements under the equity method.

REASONS FOR AND BENEFITS OF ENTERING INTO THE VC EQUITY INTEREST TRANSFER AGREEMENT

The Company, through its subsidiaries, is principally engaged in the research, development, manufacture, marketing and sale of wireless fire alarm systems and related products, the development of travel and leisure business and investment holding.

The Purchaser is principally engaged in investment holding.

The Directors believe that it is beneficial for the Group to invest in Xinzhongrui VC so as to further develop the Group’s existing private equity fund investment business portfolio, in particular, expand its investment in emerging industries, and also broaden its source of income.

In light of the above, the Directors consider that the terms of the VC Equity Interest Transfer Agreement, which were determined after arm’s length negotiations between the Purchaser and Shenzhen Jade Bird, are on normal commercial terms and are fair and reasonable, and the entering into of the VC Equity Interest Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the VC Equity Interest Transfer Agreement, either standalone or aggregated with the Ningbo Zhengyuan Transaction, the Beijing Shengxin Runcheng Transaction and the Beijing Shengxin Kaiyuan Transaction, are more than 5% but less than 25%, the transactions contemplated under the VC Equity Interest Transfer Agreement constitute discloseable transaction for the Company and are subject to the notification and announcement requirements of Chapter 19 of the GEM Listing Rules.

In addition, Shenzhen Jade Bird is a subsidiary of Beida Jade Bird, a substantial Shareholder who had (direct and indirect) interest in 200,000,000 Promoters Shares as at the Latest Practicable Date. Shenzhen Jade Bird is therefore an associate of Beida Jade Bird and a connected person of the Company under the GEM Listing Rules. Accordingly, the transactions contemplated under the VC Equity Interest Transfer Agreement constitute connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Aggregation with the Ningbo Zhengyuan Transaction

On 24 October 2014, the Company entered into an equity interest transfer agreement with Beida High Tech pursuant to which the Company agreed to acquire 45% equity interest in Ningbo Zhengyuan from Beida High Tech at a consideration of RMB900,000, details of which are set out in the announcement of the Company dated 24 October 2014 (“**October 2014 Announcement**”). As Beida High Tech is a subsidiary of Beida Jade Bird, a substantial Shareholder who had (direct and indirect) interest in 200,000,000 Promoter Shares as at the Latest Practicable Date, it is an associate of Beida Jade Bird and a connected person of the Company under the GEM Listing Rules. As such, the Ningbo Zhengyuan Transaction is aggregated with the transactions contemplated under the VC Equity Interest Transfer Agreement.

As set out in the October 2014 Announcement, the Ningbo Zhengyuan Transaction is exempted from the independent shareholders’ approval requirement under Chapter 20 of the GEM Listing Rules. As at the Latest Practicable Date, completion of the Ningbo Zhengyuan Transaction has taken place, and upon completion of Ningbo Zhengyuan Transaction and the acquisition of 35% equity interest in Ningbo Zhengyuan by the Company as set out in the October 2014 Announcement, Ningbo Zhengyuan has become a subsidiary of the Company and the results of Ningbo Zhengyuan were consolidated with that of the Company.

Aggregation with the Beijing Shengxin Runcheng Transaction and the Beijing Shengxin Kaiyuan Transaction

Further, on 5 November 2014, the Company entered into two equity interest transfer agreements with Jade Bird Software, and pursuant to each of the respective agreements the Company agreed to acquire 40% equity interest in Beijing Shengxin Runcheng and 40% equity interest in Beijing Shengxin Kaiyuan held by Jade Bird Software, at an aggregate consideration of RMB2,400,000, details of which are set out in the announcement of the Company dated 5 November 2014 (“**November 2014 Announcement**”). As Jade Bird

LETTER FROM THE BOARD

Software is a holding company of Beida Jade Bird, it is an associate of Beida Jade Bird and a connected person of the Company under the GEM Listing Rules. As such, the Beijing Shengxin Runcheng Transaction and the Beijing Shengxin Kaiyuan Transaction are aggregated with the transactions contemplated under the VC Equity Interest Transfer Agreement.

As set out in the November 2014 Announcement, the Beijing Shengxin Runcheng Transaction and the Beijing Shengxin Kaiyuan Transaction are exempted from the independent shareholders' approval requirement under the GEM Listing Rules under Chapter 20 of the GEM Listing Rules. As at the Latest Practicable Date, completion of each of the Beijing Shengxin Runcheng Transaction and the Beijing Shengxin Kaiyuan Transaction had not yet taken place, pending completion of registration of each such transfer with the industrial and commercial administration bureau of the PRC. As at the Latest Practicable Date, the Company did not hold any equity interest in Beijing Shengxin Runcheng and Beijing Shengxin Kaiyuan. Upon completion of the Beijing Shengxin Runcheng Transaction and the Beijing Shengxin Kaiyuan Transaction, Beijing Shengxin Runcheng and Beijing Shengxin Kaiyuan will become two associated companies of the Company, and the net assets and the results of Beijing Shengxin Runcheng and Beijing Shengxin Kaiyuan will be accounted for in the Group's consolidated financial statements under the equity method.

As the applicable percentage ratios for the VC Equity Interest Transfer Agreement, either standalone or aggregated with the Ningbo Zhengyuan Transaction, the Beijing Shengxin Runcheng Transaction and the Beijing Shengxin Kaiyuan Transaction, are more than 5% and the consideration for the transactions contemplated under the VC Equity Interest Transfer Agreement is more than HK\$10,000,000, the transactions contemplated under the VC Equity Interest Transfer Agreement are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As Shenzhen Jade Bird is a subsidiary of Beida Jade Bird, Mr. Zhang Wanzhong and Ms. Zheng Zhong, who are the director and executive president, vice president and supervisor, and vice president of Beida Jade Bird, respectively, are deemed to have a material interest in the VC Equity Interest Transfer Agreement. Accordingly, the above Directors had abstained from voting on the Board resolution approving the connected transaction in respect of the transfer of Xinzhongrui VC Equity Interest in accordance with the articles of association of the Company and the GEM Listing Rules. Save as disclosed above, none of the other Directors had a material interest in the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder and as such, none of the other Directors was required to abstain from voting on the relevant resolution of the Board.

SGM

The SGM will be held at Room 312, Block A, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC on Thursday, 6 August 2015 at 10:30 a.m. for the Independent Shareholders to consider and, if appropriate, to approve the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Since Shenzhen Jade Bird, who was a Shareholder directly interested in 85,000,000 Promoters Shares (representing approximately 7.17% of the Company's total issued share capital) as at the Latest Practicable Date, is a party to the VC Equity Interest Transfer Agreement, Shenzhen Jade Bird is considered to have a material interest in the VC Equity Interest Transfer Agreement. As such, (i) Shenzhen Jade Bird; and (ii) Beida Jade Bird, being the direct holding company of Shenzhen Jade Bird and thus a close associate of Shenzhen Jade Bird, and also a substantial Shareholder who had direct interest in 115,000,000 Promoters Shares (representing approximately 9.71% of the Company's total issued share capital) and indirect interest in 85,000,000 Promoters Shares through Shenzhen Jade Bird as at the Latest Practicable Date, will be required to abstain from voting at the SGM on the resolution regarding the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder will be required to abstain from voting at the SGM in respect of the resolution regarding the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder.

The notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you are able to attend the meeting, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon. For holders of H Shares, you are required to return the form of proxy to the Company's H share registrar in Hong Kong, Hong Kong Registrars Limited at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. For holders of Promoters Shares, you are required to return the form of proxy to the principal place of business of the Company in Beijing at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC. Whether you are holders of H Shares or Promoters Shares, you are required to return the form of proxy as soon as possible but in any event not less than 24 hours before the time appointed for holding of the SGM or any adjourned thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

VOTING AT THE SGM

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in the notice of the SGM will be voted on by way of poll.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Independent Board Committee, comprising Mr. Cai Chuanbing, Mr. Li Juncai, Mr. Shao Jiulin and Mr. Lin Yan, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder. Karl Thomson Financial Advisory Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder.

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 19 of this circular and the letter of advice from the Independent Financial Adviser set out on pages 20 to 36 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder, and the principal factors considered by the Independent Financial Adviser in arriving at its recommendations.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the terms and conditions of the VC Equity Interest Transfer Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and its Shareholders as a whole and accordingly recommends the Independent Shareholders to vote in favour of the resolution relating to the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder to be proposed at the SGM.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the VC Equity Interest Transfer Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution regarding the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

11 June 2015

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular of the Company dated 11 June 2015 ("**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders on the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder.

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder, which form part of the Circular.

Having considered the advice of Karl Thomson Financial Advisory Limited, the Independent Financial Adviser, we consider that the terms and conditions of the VC Equity Interest Transfer Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote at the SGM in favour of the ordinary resolution set out in the notice of SGM to approve the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully
For and on behalf of the
Independent Board Committee

Cai Chuanbing
Independent
Non-executive Director

Li Juncai
Independent
Non-executive Director

Shao Jiulin
Independent
Non-executive Director

Lin Yan
Independent
Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

The following is the text of the letter of advice from Karl Thomson to the Independent Board Committee and the Independent Shareholders in respect of the connected transaction in relation to the acquisition of the Xinzhongrui VC Equity Interest for inclusion in this circular.



Karl Thomson Financial Advisory Limited

27/F, Fortis Tower, 77-79 Gloucester Road,
Wanchai, Hong Kong
香港灣仔告士打道77-79號富通大廈27樓

11 June 2015

To the independent board committee and the independent shareholders of
Beijing Beida Jade Bird Universal Sci-Tech Company Limited

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the transaction contemplated under the VC Equity Interest Transfer Agreement (the “**Acquisition**”) related thereto are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Details of the Acquisition are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 11 June 2015 (the “**Circular**”), of which this letter forms a part. Capitalized terms used in this letter shall have the same meaning as those defined in the Circular unless the context otherwise requires.

On 13 February 2015, the Purchaser, a wholly owned subsidiary of the Company and Shenzhen Jade Bird entered into the VC Equity Interest Transfer Agreement pursuant to which, the Purchaser has conditionally agreed to acquire and Shenzhen Jade Bird has conditionally agreed to sell the Xinzhongrui VC Equity Interest, representing 20% equity interest in Xinzhongrui VC at the consideration of RMB50 million (the “**Consideration**”).

Given that Shenzhen Jade Bird is a subsidiary of Beida Jade Bird, and Beida Jade Bird is a substantial Shareholder given its 16.88% direct and indirect interest in the total issued share capital of the Company; accordingly, Shenzhen Jade Bird is an associate of Beida Jade Bird and thus a connected person of the Company under the GEM Listing Rules. The Acquisition constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules which is subject to the reporting, announcement and Independent Shareholders’ approval requirements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

The Independent Board Committee comprising the independent non-executive Directors has been established to consider and advise the Independent Shareholders on whether the terms of the VC Equity Interest transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Karl Thomson has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition in this respect.

Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company. We are independent of the Company for the purposes of Rule 17.96 of the GEM Listing Rules.

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company, its directors and management. We have assumed that all statements and representations made or referred to in the Circular were true at the time when they were made and continue to be true at the date of the SGM. We have also assumed that all statements of belief, opinion and intention made by the Company, its directors and management in the Circular were reasonable made after due enquiry. We consider that we have been provided with sufficient information to form a reasonable basis for our opinion. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, its directors and management and have no reason to doubt that any relevant material facts have been withheld or omitted. We have not, however, conducted any independent investigation into the business and affairs or the future prospects of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the terms of the Acquisition contemplated under the VC Equity Interest Transfer Agreement, we have considered the following principal factors and reasons:

I. Background information

(i) Information on the Group

The Company, through its subsidiaries is principally engaged in the research, development, manufacture, marketing and sale of wireless fire alarm systems and related products, the development of travel and leisure business and investment holding.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Table below summarized the audited financial results of the Company for the two years ended 31 December 2013 and 2014 extracted from the Company's annual report for the financial year ended 31 December 2014 (the "2014 Annual Report").

	For the year ended 31 December	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	903,974	749,481
Profit before tax	196,614	151,957
Profit after tax	167,102	125,278
	As at 31 December	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Total asset	1,855,663	1,657,676
Total liabilities	455,921	379,060
Net asset	1,399,742	1,278,616

For the financial year ended 31 December 2014, the Group recorded a significant growth whereby the turnover was up by 20.6% from approximately RMB749.5 million to approximately RMB904.0 million and net profit posted an increase of 33.6% from approximately RMB125 million to approximately RMB167 million. As revealed in the 2014 Annual Report, such growth in revenue was attributable to the strong performance from the sale of electronic fire equipment resulted from the steady growth of economy and the implementation of new fire safety standards in the PRC while growth in profit was attributable to gains on disposal of certain long-term investments in addition to the core business growth.

As at 31 December 2014, the Group recorded audited total assets, total liabilities and net assets of approximately RMB1,855.7 million, RMB455.9 million and RMB1,399.7 million respectively.

(ii) Information on Xinzhongrui VC

As set out in the Letter from the Board, Xinzhongrui VC was incorporated in the PRC with a registered capital of RMB250,000,000 with approved business scope of 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

As at the Latest Practicable Date, Xinzhongrui VC was owned as to 20% by Shenzhen Jade Bird, 15% by 北京青鳥恒盛投資基金（有限合夥）(Beijing Jade Bird Hengsheng Investment Fund (Limited Partnership)[#]), an associate of the Company and as to 1% by Beijing Shengxin Kaiyuan. The remaining 64% equity interest was owned by four independent third parties of the Company respectively. Xinzhongrui VC is currently managed by Beijing Shengxin Kaiyuan, being an asset management company. Upon completion of the Beijing Shengxin Kaiyuan Transaction, Beijing Shengxin Kaiyuan will be owned as to 40% by the Company. As at the Latest Practicable Date, the Beijing Shengxin Kaiyuan Transaction was in the process of registration with the industrial and commercial administration bureau of the PRC, and completion of the Beijing Shengxin Kaiyuan Transaction had not yet taken place.

Table below summarized the audited financial information of the Xinzhongrui VC the two financial years ended 31 December 2013 and 2014:

	For the year ended	
	31 December	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	–	–
Net loss before tax	(2,395)	(1,884)
Net loss after tax	(2,395)	(1,884)

	As of 31 December	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Total asset	136,389	121,911
Total liabilities	17,500	627
Net asset	118,889	121,284
Cash balance	21,509	40,031

Given that Xinzhongrui VC is a venture capital investment company, the only revenue to be generated by Xinzhongrui VC will either be dividends declared by the invested companies or gains realized on disposal of the invested companies. In this regard, there is no disposal of the invested companies which are at the early stage of development or the invested companies have not declared any dividend, Xinzhongrui VC did not generate any revenue and has recorded net loss for the both financial years. Given the venture capital fund in nature of Xinzhongrui VC, the Board is not expecting much of revenue until there is disposal or public listing of the invested companies. The net loss is mainly attributable to the management fee, administrative cost and finance charge during the periods.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

As at 31 December 2014, the audited total assets of Xinzhongrui VC was approximately RMB136,389,000, which comprised of cash and bank balances of approximately RMB21,509,000 and financial assets available for sale of approximately RMB114,880,000 while the net asset value of was approximately RMB118,889,000.

We note that the registered capital of Xinzhongrui VC has not been fully paid up to RMB250,000,000 by its shareholders. As at the Latest Practicable Date, the capital paid up amounted to RMB166,250,000 of which RMB50,000,000 was contributed by Shenzhen Jade Bird. The registered capital committed by Shenzhen Jade Bird had been fully paid up as at the Latest Practicable Date. According to the Supplemental Agreement, completion of the transfer of Xinzhongrui VC Equity Interest will be conditional upon and subject to the registered capital of Xinzhongrui VC as per its articles of association having been fully paid up. As mentioned in the Letter from the Board, the PRC legal adviser to the Company advised that the failure of shareholders of Xinzhongrui VC (other than Shenzhen Jade Bird) to fully pay up the registered capital before the due date (i.e. 16 February 2015) generally will not affect Xinzhongrui VC and its shareholders who have fully paid up their portion of the registered capital of Xingzhongrui VC.

According to the information provided by the management of the Company, Xinzhongrui VC is currently investing in the equity interest of four private enterprises whose principal businesses are related to the emerging industries. The basic information and the financial performance of four private enterprises are summarized as follows:

		Investment Capital (RMB)	Investment Period	Principal Businesses
1.	Company A	30,000,000	Since October 2012	Air transport agency and provision of ticket purchasing service
2.	Company B	16,880,000	Since May 2013	Development, manufacture of digital certificate technology and information security system

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

		Investment Capital (RMB)	Investment Period	Principal Businesses
3.	Company C	33,000,000	Since January 2014	Provision of technical consulting service, project design and implementation
4.	Company D	35,000,000	Since May 2012	Design of intelligent building management system and the provision of technical consulting services

Company A

Company A is a joint venture company established in 1993 and it has been providing ticket purchasing services for more than 10 years.

The customers of Company A have been mainly divided into three categories. The first category is foreign corporate clients. Company A offers them with comprehensive travel procurement services, including reservation of air tickets and train tickets, hotel, conference tourism and ticket delivery service. The second category of customer is the government ministries and institutions and companies. They generally require services such as airfare and train booking services. The third category of customer is small ticket agents and travel agents.

According to its latest financial statements for the financial year ended 31 December 2014, the turnover and the net profit after tax of Company A amounted to approximately RMB169 million and RMB22.5 million respectively. Its sale amount is ranked at top five in the industry. Because of its leading market share, Company A has established a long term business relationship with both domestic and international airlines.

As of the Latest Practicable Date, Company A has not declared any dividend since the date of the investment and therefore it has not generated any revenue to Xinzhongrui VC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Company B

Company B is an IT security solutions provider in the PRC. Its principal businesses include provision of certificate authority services and products and information security services. Since its establishment in 2003, Company B has been providing comprehensive solutions on certificate authority to its clients for more than 10 years and it has established a national wide certificate authority service network and product line.

The two major security solution products developed by Company B contain a hardware authentication solution product and a dynamic password software product. In addition, the enhanced service products of Company B include dual-link intelligent validation, two-dimensional code security number, voice-print biometrics and image retrieval. Currently, the products of Company B have been widely used in the B2B e-commerce platforms, the C2C e-commerce platforms and domestic third-party payment platforms in the PRC.

As stated in the latest financial statements of Company B, the turnover and the net profit after tax of Company B for the financial year ended 31 December 2014 amounted to approximately RMB21 million and RMB13.5 million respectively.

As of the Latest Practicable Date, Company B has not declared any dividend since the date of the investment and therefore it has not generated any revenue to Xinzhongrui VC.

Company C

Company C is a high technology enterprise which principally engaged in technical consulting, project design and project implementation in the PRC. The project currently engaged by Company C is relating to a new technology called mild gasification of coal, which is introduced from America. The technology could facilitate the production of coal products and tar at higher quality. Company C has already obtained the approval for patent for the implantation of technology and thus it currently owns the patents and sub-patent rights for the technology in the PRC. Since the business is still at its early stage of development, no revenue and a net loss of approximately RMB5 million was recorded by Company C for the financial year ended 31 December 2014.

As of the Latest Practicable Date, Company C has not declared any dividend since the date of the investment and therefore it has not generated any revenue to Xinzhongrui VC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Company D

Company D was established in 2001 and has been regarded as one of the high technology enterprises in Beijing.

The principal businesses of Company D include the provision of e-government, electronic records management, broadcasting and electronic services, intelligent building engineering and fire facilities, as well as hardware and software systems integration engineering. According to its latest financial statements, Company D achieved revenue of approximately RMB318 million for the financial year ended 31 December 2014, representing an increase of approximately 48% over the previous year.

As of the Latest Practicable Date, Company D has not declared any dividend since the date of the investment and therefore it has not generated any revenue to Xinzhongrui VC.

II. Principal terms of the VC Equity Interest Transfer Agreement

VC Equity Interest Transfer Agreement (as supplemented and amended by the Supplemental Agreement dated 28 May 2015)

Date : 13 February 2015

Parties : Purchaser: 北京青鳥泰盛投資管理有限公司
(Beijing Jade Bird Taisheng Investment Management Co., Ltd.[#]), a direct wholly owned subsidiary of the Company,

Vendor: Shenzhen Jade Bird

Assets to be acquired : The Xinzhongrui VC Equity Interest, representing the 20% equity interest in Xinzhongrui VC

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

- Consideration : The consideration payable by the Purchaser in respect of the transfer of Xinzhongrui VC Equity Interest is RMB50,000,000 and will be settled in the following manners:
- (i) as to the Purchaser shall pay to Shenzhen Jade Bird (or as it may direct) RMB25,000,000 in cash as deposit within 15 working days after the date of the Independent Shareholders' approval of the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder; and
 - (ii) as to the remaining RMB25,000,000 in cash within 30 working days from the date of completion of the transfer of Xinzhongrui VC Equity Interest.
- Conditions precedent to the completion of transfer of Xinzhongrui VC Equity Interest : (i) the Independent Shareholders' approval of the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder (including but not limited to the transfer of the Xinzhongrui VC Equity Interest);
- (ii) waiver by Xinzhongrui VC and its shareholders of their respective pre-emptive right in the Xinzhongrui VC Equity Interest;
 - (iii) completion of registration of transfer of Xinzhongrui VC Equity Interest with the industrial and commercial administration bureau of the PRC;
 - (iv) completion of audit of Xinzhongrui VC for the financial year ended 31 December 2014, and the audited net asset value of Xinzhongrui VC as at 31 December 2014 being not less than RMB112,945,000; and
 - (v) the registered capital of Xinzhongrui VC as per its articles of association having been fully paid up.

If any of the above conditions precedent have not been fulfilled at or before 5:00 p.m. on 31 December 2015 (or such later date as may be agreed by the Purchaser and Shenzhen Jade Bird in writing), the VC Equity Interest Transfer Agreement (save and except for the clauses regarding refund of deposit, confidentiality and other general provisions) shall cease and determine, and Shenzhen Jade Bird shall refund the deposit in the amount of RMB25,000,000 to the Purchaser within 10 working days, and thereafter neither the Purchaser nor Shenzhen Jade Bird shall make any claim against each other under the VC Equity Interest Transfer Agreement, save for clauses relating to refund of deposit, confidentiality and other general provisions and any antecedent breaches of the terms of the VC Equity Interest Transfer Agreement.

Consideration

In assessing whether the Consideration is fair and reasonable, we have considered the factors as set out below:

(a) Basis of the determination of the Consideration

As set out in the Letter from the Board, the consideration of the VC Equity Interest Transfer Agreement was determined after arm's length negotiations between the Purchaser and Shenzhen Jade Bird with reference to the capital contribution made by Shenzhen Jade Bird to Xinzhongrui VC as at the date of the VC Equity Interest Transfer Agreement (i.e. RMB50,000,000).

Given the nature of the venture capital investment company and the process of developing a viable business, the start-up's founder has to make a long-term commitment to the company. Apart from the capital contribution, the start-up's founder has to devote time and effort to identify projects and businesses with investment value. Therefore, instead of setting up a new venture capital investment company, the Acquisition will be beneficial to the Group which will shorten its investment period by saving the Group's time and manpower from going through the start-up period which are time consuming.

Given the fact that the Consideration is simply based on the capital contribution made by Shenzhen Jade Bird in Xinzhongrui VC without considering additional premium, we are of the view that the basis of determination of the Consideration is in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

(b) Net asset value and capital contribution

Net asset value is commonly used as a reference for the basis of the consideration for the acquisition of the equity interests in a company as it could reflect the equity value of an entity. It is also common for listed company to estimate the value of the target group with reference to the target group's net asset value during the acquisition.

In the case of Xinzhongrui VC, the registered capital had not been fully paid up by its shareholders and thus the current shown net asset value of Xinzhongrui VC cannot fully reflect its equity value. In this regard, we are of the view that the current shown net asset value of Xinzhongrui VC is not relevant for our comparison. On the other hand, we have made comparison of the Consideration with the registered capital attributable to Xinzhongrui VC Equity Interest. Based on the Xinzhongrui VC's registered capital of RMB250,000,000, the proportional registered capital attributable to Xinzhongrui VC Equity Interest is RMB50,000,000 which is exactly equivalent to the amount of the Consideration.

Despite the fact that the registered capital of Xinzhongrui VC had not been fully paid up as at the Latest Practicable Date, the registered capital committed by Shenzhen Jade Bird has been fully paid up and according to the Supplemental Agreement, completion of the transfer of Xinzhongrui VC Equity Interest will be conditional upon and subject to the registered capital of Xinzhongrui VC as per its articles of association having been fully paid up. In light of the above, we are of the opinion that the Consideration of RMB50,000,000 is under normal commercial term, fair and reasonable and in the interest of the Company.

(c) Market comparable

We have also attempted to apply two commonly adopted valuation approaches, namely, the price to earnings ratio (the "PER") and the price to book ratio (the "PBR") in comparing the Acquisition with other comparable companies listed on the Stock Exchange which are principally engaged in similar business as Xinzhongrui VC.

Given the fact that Xinzhongrui VC has incurred loss in the previous financial period, the PER analysis is not applicable in our assessment. For the PBR analysis, we have tried to identify an exhaustive list of comparable companies whose company scale and principal activities are similar to the Xinzhongrui VC in the public domain. To the best of our knowledge, we have identified an exhaustive list of five comparable companies listed on the Stock Exchange with the size of market capitalization of no more than HK\$350,000,000 in our analysis (the "Market Comparables"). The investment portfolio of the Market Comparables are also similar to that of Xinzhongrui

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

VC, i.e. new emerging industry businesses including new energy development and new technology innovation. Details of the comparison are set out below.

Company	Stock code	Market Capitalization (note 1) (HK\$)	Net asset value (note 2) (HK\$)	PBR/Implied PBR (times)
China Investment and Finance Group Ltd.	1226	320,379,500	448,503,000	0.71
China Innovation Investment Ltd.	1217	244,278,501	293,928,000	0.83
Shanghai International Shanghai Growth Investment Ltd.	0770	100,020,960	99,432,325	1.01
Harmony Asset Ltd.	0428	156,234,456	172,848,694	0.90
China New Economy Fund Ltd.	0080	159,681,000	452,491,412	0.35
Minimum				0.35
Maximum				1.01
Average				0.76
The Consideration				2.00 (note 3)

Source: website of the Stock Exchange: www.hkex.com.hk

Note:

1. Based on the respective closing price as at 13 February 2015, being the date of the VC Equity Interest Transfer Agreement.
2. Based on the respective latest net asset value as published in the Stock Exchange website.
3. The implied PBR of the Consideration was calculated based on the Consideration and the net asset value of Xinzhongrui VC of approximately RMB125,181,328 as at dated 31 March 2015. Based on 20% equity interest of Xinzhongrui VC to be acquired by the Purchaser, the net asset value attributable to Xinzhongrui VC Equity Interest shall be approximately RMB25,036,265. By dividing the Consideration of RMB50,000,000 by the net asset value of Xinzhongrui VC Equity Interest, the implied PBR ratio of the Consideration is calculated to be approximately 2.00 times.

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From the above table, we noted that the PBRs of the Market Comparables ranged from approximately 0.35 times to 1.01 times, with an average of approximately 0.76 times. The implied PBR ratio as represented by the Consideration of approximately 2.00 time falls out of the range of the PBRs of the Market Comparables and is higher than the maximum of the PBRs of the Market Comparables of approximately 1.01 time. As mentioned in the above paragraph, the registered capital of Xinzhongrui VC had not been fully paid up by its shareholders, the current shown net asset value of Xinzhongrui VC does not fully reflect its equity value. As such, the net asset value of Xinzhongrui VC is understated while the implied PBR of the Consideration is overestimated. On such basis, we consider that it is acceptable to have the implied PBRs ratio as represented by the Consideration be higher than the PBRs of the Market Comparables.

On the other hand, we have also considered the expected change on the implied PBR ratio represented by the Consideration immediately after the registered capital of Xinzhongrui VC is fully paid up. Upon Completion, the net asset value of Xinzhongrui VC is expected to be increased according to the amount of registered capital contributed. As at 31 March 2015, the registered capital paid up was amounted to RMB131,250,000. Assuming the registered capital of Xinzhongrui VC is fully paid up upon completion, the net asset value of Xinzhongrui VC is expected to be increased by RMB118,750,000 to approximately RMB243,930,000. Based on 20% equity interest of Xinzhongrui VC, the increased net asset value represented by Xinzhongrui VC Equity Interest shall be approximately RMB48,786,000. By dividing the Consideration of RMB50,000,000 by the increased net assets value of Xinzhongrui VC Equity Interest, the implied PBR ratio of the Consideration is calculated to be approximately 1.02 times. In this connection, we are of the view that, when the registered capital of Xinzhongrui VC is fully paid up as agreed, the implied PBR ratio as represented by the Consideration will be comparable to the PBRs of the Market Comparables.

Having considered that (i) the Consideration has been determined after arm's length negotiations between Shenzhen Jade Bird and the Purchaser; (ii) the Acquisition will be beneficial to the Group by shorten its investment period; (iii) the Consideration is simply determined based on the capital contribution made by Shenzhen Jade Bird in Xinzhongrui VC without considering extra premium; (iv) the proportional registered capital attributable to Xinzhongrui VC Equity Interest is RMB50,000,000 which is exactly equivalent to the amount of the Consideration; (v) the registered capital of Xinzhongrui VC will be fully paid up before Completion; and (vi) the implied PBR ratio as represented by the Consideration will be comparable to the PBR of the Market Comparables upon Completion, we are of the view that the Consideration to be fair and reasonable.

III. Reasons for and benefits of the Acquisition

Business strategy of the Group

As stated in the 2014 Annual Report of the Company, the Group will continue to focus on the development of the manufacture and sale of electronic fire equipment business and tourism development business. In addition, it was also the Group's business strategy to pursue business growth and broaden its source of Group's income by identifying potential investment opportunities in order to further expand and diversify the Group's existing investment business portfolio.

The Group's existing investment business portfolio mainly included the investments in two private equity funds in the PRC, the equity interests in listed companies in Hong Kong and the equity interest in a private enterprise in the PRC. The investment areas covered businesses ranging from the provision of information technology vocational education, insurance business, baby products retailing business, manufacturing and sale of light-emitting diode related products and property development.

In line with the Group's strategic move, during the year, the Group made a series of acquisitions. In October 2014, the Company acquired equity interest in 寧波青鳥創業投資有限公司 (Ningbo Jade Bird Venture Capital Investment Company Limited[#]) which principally invests in the companies with innovative and high technology in emerging industries, such as culture, health care, new energy and environmental protection in the PRC. In November 2014, the Company further acquired the equity interest in Beijing Shengxin Runcheng and Beijing Shengxin Kaiyuan. Beijing Shengxin Kaiyuan, is an asset management company incorporated in the PRC. Upon completion of the Beijing Shengxin Kaiyuan Transaction, Beijing Shengxin Kaiyuan will be owned as to 40% by the Company. As disclosed in the Letter from the Board, Xinzhongrui VC was currently managed and was owned as to 1% by Beijing Shengxin Kaiyuan.

Given that Xinzhongrui VC is a venture capital investment company and its investment also covers the companies who engaged in innovative and high technology business such as development and manufacture of digital certificate technology and information security system and design of intelligent building management system, the Acquisition is in line with the Group's investment strategy. Furthermore, Xinzhongrui VC will continue to be managed by Beijing Shengxin Kaiyuan, who will be an associate of the Company upon completion of the Beijing Shengxin Kaiyuan Transaction. As mentioned in the Letter from the Board, Xinzhongrui VC had entered into a venture capital fund management agreement (the "**Xinzhongrui Management Agreement**") with Beijing Shengxin Kaiyuan, pursuant to which Beijing Shengxin Kaiyuan agreed to act as the fund and asset manager of Xinzhongrui VC and as agent in the operation of investments of Xinzhongrui VC.

According to the Xinzhongrui Management Agreement, the investments made by Xinzhongrui VC will be subject to a series of investment criteria and internal policies. The investment criteria could ensure investment flows to the high value areas, and to avoid high risk project. For the internal policies, it is agreed that other than the investment decisions which shall be determined by the board or shareholders of Xinzhongrui VC, investment decision made by Beijing Shengxin Kaiyuan on behalf of Xinzhongrui VC shall be approved by an investment decision committee in Beijing Shengxin Kaiyuan (the “Committee”). Furthermore, the Committee shall review and consider approval of proposed investment projects. Immediately upon approval of the investment project, the Committee shall sign a compliance undertaking and shall provide such compliance undertaking to each director and supervisor of Xinzhongrui VC. Beijing Shengxin Kaiyuan shall then provide a detailed report on due diligence review and investment proposals to Xinzhongrui VC. Under such circumstance, the investment portfolio and the operation of Xinzhongrui VC will be under the monitor by both of the Committee and the Board of Xinzhongrui VC and thus the risk exposure of the investments will be minimized.

Having considered the abovementioned previous acquisitions made by the Group and the potential benefits of the Acquisition, we are of the view that the Acquisition will allow the Group to expand its existing investment business portfolio, and is therefore in line with the Group’s business strategy with the view of broadening its source of income as well as diversifying the business risk.

Strategic Emerging Industries Outlook in the PRC

According to 12th Five-Year Plan for National Strategic Emerging Industries released by the PRC government, the key strategic emerging industries to be focused during the 12th Five Year Period are (1) energy-saving and environment protection, (2) new-generation information technology, (3) biotechnology, (4) high-end equipment manufacturing, (5) new energy, (6) new materials, and (7) new energy vehicle. The PRC government targeted to develop seven emerging industries with the aim of increasing their gross domestic production contribution from 2% to 8% of the total national gross domestic production by 2015.

Among seven emerging industries, the software and IT services industry, in particular, has become a strong pillar for economic development in the PRC and has made significant changes in production and operation mode across numerous industry sectors. According to the China Internet Network Information Center, the total number of internet users in the has increased significantly from approximately 384 million in 2009 to 632 million in 2014, representing a CAGR of 10.5%. Meanwhile, the rapid penetration of broadband access has significantly enhanced the internet user experience in the PRC. As a result, various online services have benefited from the increasing internet population and improving internet infrastructure.

According to the Ministry of Industry and Information Technology, the market turnover for software and IT services industry in the PRC amounted to RMB3.7 trillion in 2014, representing an annual growth of 20.2% compared to the corresponding year. In particular, the turnover contributed by the new-generation information technology service sector was approximately RMB1,067.4 billion, representing an annual growth of 22.5% which is even stronger. It is expected that the new-generation information technologies such as cloud computing, mobile internet, etc. will remain the important drivers for the development of software and IT services industry.

Characteristics of venture capital investment

Venture capital investment is the capital invested into companies that possess the potential for quick, substantial growth in order to obtain a very high rate of return. It represents the seed money for new ventures which usually revolving around new innovation and technologies within the emerging industries. Since the investment in the new venture is relatively risky, the potential return is also relatively high.

In general, venture capital investment is divided into four different stages of development, being the seed/start-up stage, early stage, expansion stage and exit stage. At the start up stage, it is critical for the venture company to identify fast growing business generating with high returns within a limited investment period. For example, venture companies with high innovative structure, well designed business model and a strong management team could attract the venture capitalists. In successful case, the investor can achieve desirable return and exit from its investment within 3 to 7 years by means of merger and acquisition or initial public offering.

Xinzhongrui VC has already gone through the start-up stage and is now in its early stage of development. Seed money has been contributed by the shareholders as its investment capital. As mentioned in the previous section, the investment of Xinzhongrui VC has been focusing on the new emerging industries in the PRC including innovative projects and high technology businesses. Given the fact that the emerging industries are now under rapid development in the PRC, and are playing a major role in the growth of the PRC economy, the investment prospect is considered to be more positive. Moreover, since the equity interest to be acquired by the Purchaser is only 20% of the total equity interest in Xinzhongrui VC, the potential loss of the investment is limited. On the other hand, if the investment becomes successful, the potential return will be unexpectedly high.

IV. Financial effects of the Acquisition on the Group

(a) Cashflow

As stated in the Letter from the Board, the Consideration of RMB50 million will be settled in two phases, i) as to RMB25 million in cash as deposit within 15 working days after the date of the Independent Shareholders' approval of the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder; and ii) as to the remaining RMB25 million in cash within 30 working days from the date of completion of the transfer of Xinzhongrui VC Equity Interest.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

According to the 2014 Annual Report, the audited cash and bank balances of the Group amounted to approximately RMB366 million as at 31 December 2014. The Consideration of RMB50 million represents approximately 13.6% of its total cash available on hand. In view of such cashflow position of the Group, we are of the view that the payment of the Consideration will not have a significant pressure on the Group's cashflow position.

(b) Net Asset Value

Since the payment of the Consideration is in cash and which will be offset by the investment in Xinzhongrui VC and the fair market value of the Xinzhongrui VC Equity Interest is unlikely to fluctuate substantially upon completion, it is expected that the Acquisition will not create significant impact to the Group's net asset value.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that:

- (i) the terms of the VC Equity Interest Transfer Agreement are on normal commercial terms;
- (ii) the Consideration has been determined with fair and reasonable basis;
- (iii) the Acquisition is in line with the Group's business strategy with the view of diversifying the Group's existing investment business portfolio as well as broadening its source of income; and
- (iv) the businesses engaged by the private enterprises currently invested by Xinzhongrui VC are under rapidly development in the PRC and their future prospects are positive.

In light of the above, we are of the view that the Acquisition is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the SGM to approve the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Karl Thomson Financial Advisory Limited
Alex Chow
Director

1. RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 document misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors', Supervisors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of each Director, Supervisor and chief executive of the Company in the shares or underlying shares of the Company and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were taken or deemed to have under such provisions of the SFO, (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to the Rules 5.46 to 5.47 of the GEM Listing Rules relating to the securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long position in the ordinary shares and underlying shares of the Company

		Number of ordinary shares of the Company					
					Approximate Percentage of the Company's total number of issued Promoter Shares	Approximate Percentage of the Company's total number of issued H Shares	Approximate Percentage of the Company's total issued share capital
Name	Capacity	Interests in Promoter Shares	Interest in H Shares	Total			
Director							
Zhang Wanzhong	Beneficial Owner and beneficiary of trust (Note 1)	205,414,000	–	205,414,000	29.34%	–	17.34%
Supervisor							
Chen Shuxin	Beneficial Owner	–	15,480,000	15,480,000	–	3.19%	1.31%
Zhou Min	Beneficiary of trust	205,414,000	–	205,414,000	29.34%	–	17.34%

Note 1: The above Director and Supervisors are taken to be interested in the shares of the Company through their respective interests as beneficiaries, among other beneficiaries, of Heng Huat trust (“**Heng Huat Trust**”). By a declaration of Heng Huat Trust made as a deed on 19 July 2000, Mr. Xu Zhendong, Mr. Zhang Wanzhong and Ms. Liu Yue (who has been replaced by Mr. Xu Zhixiang since 9 May 2003 as a trustee) declared that they held the shares of Heng Huat Investments Limited (“**Heng Huat**”) as trustees for the benefits of over 300 employees of Jade Bird Software, Beida Jade Bird and 北京北大宇環微電子系統有限公司 (in English, for identification purpose only, Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd.) and their respective subsidiaries and associated companies and the Company. Heng Huat is beneficially interested in the entire issued share capital of Dynamic Win Assets Limited (“**Dynamic Win**”), and is taken to be interested in 205,414,000 shares of the Company which Dynamic Win is interested. Mr. Xu Zhendong, Mr. Zhang Wanzhong and Mr. Xu Zhixiang (who replaced Ms. Liu Yue as a trustee on 9 May 2003 upon Ms. Liu’s resignation as a trustee on the same date) are trustees holding 60, 20 and 20 shares out of 100 shares in the issued share capital of Heng Huat. Each of Mr. Xu Zhendong and Mr. Xu Zhixiang was former Director who resigned on 5 May 2015.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executives of the Company had, or was deemed to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were taken or deemed to have under such provisions of the SFO, (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to the Rules 5.46 to 5.47 of the GEM Listing Rules relating to the securities transactions by Directors to be notified to the Company and the Stock Exchange.

(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following person (not being Directors, Supervisors or chief executives of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or was recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

Long position in the ordinary shares of the Company

Name of Shareholder	Capacity	Interests in Promoter Shares	Approximate Percentage of the Company's total number of issued Promoter Shares	Approximate Percentage of the Company's total issued share capital
Peking University	Interest through controlled corporations (Note 2)	200,000,000	28.57%	16.88%
Beida Asset Management Co., Ltd.	Interest through controlled corporations (Note 2)	200,000,000	28.57%	16.88%
Jade Bird Software	Interest through controlled corporations (Note 2 and 3)	200,000,000	28.57%	16.88%
Beida Jade Bird	Beneficial owner and interest through controlled corporations (Note 2 and 4)	200,000,000	28.57%	16.88%
Shenzhen Jade Bird	Beneficial owner (Note 2)	85,000,000	12.14%	7.17%
Grand East (H.K. Limited)	Beneficial owner	110,000,000	15.71%	9.28%
Heng Huat Investments Limited	Interest through controlled corporations (Note 5)	205,414,000	29.34%	17.34%
Dynamic Win Assets Limited	Beneficial owner (Note 5)	205,414,000	29.34%	17.34%
Mongolia Energy Corporation Limited	Interest through controlled corporations (Note 6)	84,586,000	12.08%	7.14%
New View Venture Limited	Beneficial owner (Note 6)	84,586,000	12.08%	7.14%
Asian Technology Investment Co., Ltd.	Beneficial owner	50,000,000	7.14%	4.22%

Note 2: Peking University is taken to be interested in 16.88% of the total issued share capital of the Company through the following companies:

- (i) 85 million Promoter Shares (representing approximately 7.17% of the Company's total issued share capital) held by Shenzhen Jade Bird, which is 90% beneficially owned by Beida Jade Bird; and
- (ii) 115 million Promoter Shares (representing approximately 9.71% of the Company's total issued share capital) held by Beida Jade Bird itself, which is 46% beneficially owned by Jade Bird Software.

Beida Asset Management Co., Ltd. is wholly owned by Peking University.

Note 3: The interests of Jade Bird Software comprise 200 million Promoter Shares held by Beida Jade Bird.

Note 4: The interests of Beida Jade Bird comprise 115 million Promoter Shares held by it and 85 million Promoter Shares held by Shenzhen Jade Bird.

Note 5: The Promoter Shares are held by Dynamic Win Assets Limited, which is beneficially wholly-owned by Heng Huat Investments Limited.

Note 6: The Promoter Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.

Note 7: Mr. Zhang Wanzhong is the vice president and supervisor of Beida Jade Bird and Ms. Zheng Zhong is a vice president of Beida Jade Bird.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or was recorded in the register required to be kept under Section 336 of Part XV of the SFO.

3. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Mr. Chen Shuxin was appointed as a Supervisor for a term commencing from 28 June 2013 until and ending on the date of the 2014 annual general meeting of the Company to be convened in 2015. Each of the Directors and other Supervisors has entered into a service contract with the Company for a term of three years commencing on 21 June 2012 and ending on the date of the 2014 annual general meeting of the Company which will be convened in 2015. Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the Supervisors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

4. COMPETING BUSINESS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the controlling Shareholders, the Directors or their respective close associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules, if the Directors were controlling Shareholders.

5. DIRECTORS' AND SUPERVISORS' INTEREST IN ASSETS CONTRACTS OR ARRANGEMENTS

None of the Directors and the Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group, nor has any Director or Supervisor or their respective associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. MATERIAL ADVERSE CHANGE

As the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion, letter or advice contained in this circular:

Name	Qualifications
Karl Thomson Financial Advisory Limited	a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activities

Karl Thomson Financial Advisory Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its names in the form and context in which they respectively appear.

As at the Latest Practicable Date, Karl Thomson Financial Advisory Limited did not have (a) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (b) any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, the date to which the latest published audited accounts of the Company were made up.

8. DOCUMENT AVAILABLE FOR INSPECTION

Copy of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:30 p.m. on any Business Day at the principal office of the Company in Hong Kong at Units 7605, 76th Floor, The Center, 99 Queen's Road Central, Hong Kong from the date of this circular up to and including the date of the SGM:

- (1) the service contracts of the Directors and the Supervisors as mentioned in the paragraph headed "DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS" above;
- (2) the equity interest transfer agreement dated 24 October 2014 and entered into between the Company and Beida High Tech in relation to the Ningbo Zhengyuan Transaction;
- (3) the equity interest transfer agreement dated 5 November 2014 entered into between the Company and Jade Bird Software in relation to the Beijing Shenxin Kaiyuan Transaction;
- (4) the equity interest transfer agreement dated 5 November 2014 entered into between the Company and Jade Bird Software in relation to the Beijing Shenxin Runcheng Transaction;
- (5) the VC Equity Interest Transfer Agreement; and
- (6) the Supplemental Agreement.

NOTICE OF SGM



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (“SGM”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (“**Company**”) will be held at 10:30 a.m. on Thursday, 6 August 2015 at Room 312, Block A, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC, to consider and, if appropriate, pass the following resolution as an ordinary resolution of the Company:

“THAT

- (a) the equity interest transfer agreement dated 13 February 2015 entered into between 北京青鳥泰盛投資管理有限公司 (in English, for identification purpose only, Beijing Jade Bird Taisheng Investment Management Co., Ltd.), a direct wholly owned subsidiary of the Company, and 深圳市北大青鳥科技有限公司 (in English, for identification purpose only, Shenzhen Beida Jade Bird Technology Co., Ltd.) (as supplemented and amended by the supplemental agreement thereto dated 28 May 2015) regarding the acquisition of 20% equity interest of 北京信中瑞創業投資有限公司 (in English, for identification purpose only, Beijing Xinzhongrui Venture Capital Co., Ltd.) at a consideration of RMB50,000,000 (“**VC Equity Interest Transfer Agreement**”) (a copy of the VC Equity Interest Transfer Agreement is marked “A” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting) be and is hereby approved, confirmed and ratified and the transactions contemplated under the VC Equity Interest Transfer Agreement be and are hereby approved; and
- (b) any one director (“**Director**”) of the Company be and is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the VC Equity Interest Transfer Agreement and the transactions contemplated thereunder and to agree to such variation, amendments or waiver of matters relating thereto which are not fundamentally different from those provided in the VC Equity Interest Transfer Agreement as are, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

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

Beijing, the PRC, 11 June 2015

NOTICE OF SGM

Notes:

1. The registers of shareholders of the Company will be closed from Tuesday, 7 July 2015 to Thursday, 6 August 2015 (both days inclusive) during which period no transfer of shares of the Company ("Shares") will be registered. Any holder of the H Shares and whose name appearing in the Company's register of holders of H Shares with Hong Kong Registrars Limited at 4:30 p.m. on Monday, 6 July 2015 and have completed the registration process will be entitled to attend the SGM.
2. Holders of H Shares who intend to attend the SGM must complete the reply slip for attending the SGM and return them to the Company's H share registrar in Hong Kong, Hong Kong Registrars Limited on or before Friday, 17 July 2015.

The address of Hong Kong Registrars Limited is as follows:

Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. (Fax no: 852-2865-0990)

3. Holders of promoters Shares who intend to attend the SGM must complete the reply slip for attending the SGM and return them to the principal place of business of the Company in Beijing on or before Friday, 17 July 2015.

The principal place of business of the Company in Beijing is as follows:

3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC (Fax no: 86-10-6275-8434)

4. Each holder of H Shares entitled to attend and vote at the SGM shall have the right to appoint one or several persons who may not be Shareholders to act as his/her proxy to attend and vote at the SGM on his/her behalf.
5. The instrument appointing a proxy must be in writing under the hand of the principal or his/her attorney duly authorised in writing; for a legal person, the form of proxy must be affixed with the common seal or signed by its director or attorney duly authorized in writing. If that instrument is signed by a person authorized by the principal, the power of attorney or other authorization documents authorized to be signed shall be notarized.
6. The instrument of proxy, and if the instrument of proxy is signed by a person authorized by the principal, a notarized copy of that power of attorney or other authorization documents, must be deposited at the Company's H Share registrar in Hong Kong, Hong Kong Registrars Limited, the address of which is set out in Note (2) above, not less than 24 hours before the time for holding the SGM or any adjournment thereof in order for such documents to be valid.
7. Each holder of promoters Shares entitled to attend and vote at the SGM shall have the right to appoint in writing one or several persons (who may not be Shareholders) to act as his/her proxy to attend and vote at the SGM on his/her behalf. Notes (5) and (6) above also apply to holders of promoters Shares, except that the instrument of proxy or other documents of authority must be deposited at the principal place of business of the Company in Beijing, the address of which is set out in Note (3) above, not less than 24 hours before the time for holding the SGM or any adjournment thereof in order for such documents to be valid.
8. If a Shareholder appoints others to attend the SGM, the proxy shall produce his/her own identification document and the instrument of proxy signed by the proxy or his/her legal representative, and specifying the date of its issuance. If a legal person Shareholder appoints a proxy to attend the SGM, such proxy should produce his/her identification documents and a notarized copy of the resolution of the board of directors of the legal person appointing such proxy.
9. The SGM is expected to last for one hour. Shareholders attending the SGM are responsible for their own transportation and accommodation expenses.

As at the date of this notice, Mr. Zhang Wanzhong is executive Director, Ms. Zheng Zhong is non-executive Director and Mr. Cai Chuanbing, Mr. Li Juncai, Mr. Shao Jiulin and Mr. Lin Yan are independent non-executive Directors.