

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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 stockbroker or other registered dealer 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)**

**MAJOR TRANSACTION  
IN RELATION TO THE PROVISION OF GUARANTEE TO BANKS**

A notice convening the special general meeting of the Company, the form of proxy and the reply slip for the special general meeting of the Company have been issued by the Company on 7 February 2013. 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 promoter 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 promoter 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.

22 February 2013

## 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:*

“Acquisition Announcement”	the announcement of the Company dated 30 May 2011 in relation to the acquisition of the 46.6% registered capital of Songya Lake Construction by Chaunqi Tourism from Beida High Technology
“Audit Committee”	the audit committee of the Company
“Banks”	means China Development Bank Co. Ltd. and Bank of Beijing Co. Ltd. collectively
“Beida High Technology”	北京北大高科技產業投資有限公司 (Beijing Beida High Technology Investment Co., Ltd. <sup>#</sup> ), a limited liability company established in the PRC
“Board”	the board of Directors
“Changsha Star City”	長沙縣星城建設投資有限公司 (Changsha Star City Construction Investment Co., Ltd. <sup>#</sup> ), a company established in the PRC with limited liability which is under the supervision of the County Government and holder of 48.5% of the registered capital of Songya Lake Construction
“Chuanqi Tourism”	傳奇旅遊投資有限公司 (Chuanqi Tourism Investment Co., Ltd. <sup>#</sup> ), a direct non-wholly owned subsidiary of the Company with its registered capital owned as to 60% by the Company as at the date of this circular
“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
“County Government”	長沙縣人民政府 (Changsha County People’s Government <sup>#</sup> )
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“Facility”	a term loan facility in an aggregate amount of RMB986 million granted by the Banks to Songya Lake Construction pursuant to the Facility Agreement
“Facility Agreement”	the facility agreement entered into between Songya Lake Construction as the borrower and the Banks as a lender for the provision of a term loan facility to Songya Lake Construction by the Banks in the aggregate amount of RMB986 million
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee executed by the Company and the Banks dated 31 January 2013 to secure the obligations of Songya Lake Construction under the Facility Agreement
“H Share(s)”	overseas-listed foreign Shares subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and connected persons of the Company and “Independent Third Parties” shall be construed accordingly
“Latest Practicable Date”	18 February 2013, being the latest practicable date before printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

## DEFINITIONS

“SGM”	the special general meeting of the Company to be held at 10:30 a.m. on Monday, 25 March 2013 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 provision of the Guarantee and other transactions contemplated under the Guarantee
“Share(s)”	the ordinary shares in the ordinary share capital of the Company, with a nominal value of RMB0.1
“Shareholder(s)”	holder(s) of the Share(s)
“Songya Lake Construction”	長沙松雅湖建設投資有限公司 (Changsha Songya Lake Construction Investment Co., Ltd <sup>#</sup> ), a limited liability company established in the PRC with 46.6% of its registered capital owned by Chuanqi Tourism
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent.

<sup>#</sup> 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 Directors:*

Mr. Xu Zhendong (*Chairman*)  
Mr. Xu Zhixiang (*Vice Chairman*)  
Mr. Zhang Wanzhong (*President*)

*Non-Executive Directors:*

Mr. Cai Weimin  
Mr. Chen Zongbing  
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  
Haidian District  
Beijing 100080  
the PRC

*Principal Place of Business  
in the PRC:*

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

*Principal Place of Business  
in Hong Kong:*

Room 1002, 10th Floor  
Bank of America Tower  
12 Harcourt Road  
Central  
Hong Kong

22 February 2013

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION IN RELATION TO THE PROVISION OF GUARANTEE TO BANKS**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 31 January 2013 in which the Company announced that on 31 January 2013, the Company, as a guarantor, executed the Guarantee in favour of the Banks to secure the obligations of Songya Lake Construction under the Facility Agreement in respect of the aggregate principal amount of RMB986 million.

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with (i) information relating to the Guarantee; and (ii) other information as required under the GEM Listing Rules.

### PROVISION OF THE GUARANTEE TO THE BANKS

On 31 January 2013, the Company, as a guarantor, executed the Guarantee in favour of the Banks to secure the obligations of Songya Lake Construction under the Facility Agreement in respect of the aggregate principal amount of RMB986 million. Songya Lake Construction is an associated company of the Company of which 46.6% of its registered capital is owned by the Company's non-wholly owned subsidiary, Chuanqi Tourism.

A summary of the principal terms of the Guarantee and the Facility Agreement are set out below.

#### The Guarantee

The major terms of the Guarantee are set out below:

*Date:* 31 January 2013

*Parties:*

- (1) Lenders:
- (i) China Development Bank Co. Ltd., a company established in the PRC with limited liability and a state-owned licensed bank in the PRC which together with its ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are Independent Third Parties; and
  - (ii) Bank of Beijing Co. Ltd., a company established in the PRC with limited liability and a licensed bank in the PRC which together with its ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are Independent Third Parties;
- (2) Security agent: China Development Bank Co. Ltd.; and
- (3) Guarantor: the Company.



## LETTER FROM THE BOARD

### *Scope and amount of the Guarantee*

The amount of the Guarantee provided by the Company is RMB200 million in respect of the principal amount and the related interest, default interest, compound interest, compensation, default fine, compensation for damages and expenses incurred in enforcing the claims.

Where Songya Lake Construction fails to repay any amounts due under the Facility in accordance with the terms of the Facility Agreement covered under the Guarantee, the security agent, China Development Bank Co. Ltd., with the authorization of the Banks, shall have the right to demand the Company to assume liability under the Guarantee in respect of such amounts. In such event, the Company shall perform its obligations under the Guarantee within 15 days after receipt of the written demand.

On 31 January 2013, Songya Lake Construction has executed an undertaking (“**Undertaking**”) to the Company that in case Songya Lake Construction fails to repay any amount utilised under the Facility in accordance with the Facility Agreement, Songya Lake Construction shall (a) request and procure the Banks to enforce the charge of the collateral provided by Songya Lake Construction pursuant to the Facility Agreement first and (b) in the event that the Company is demanded by the Banks to assume the liability under the Guarantee before the collateral provided by Songya Lake Construction is realized in full, the Company shall have the right to claim against Songya Lake Construction for any amount paid by the Company under the Guarantee in full.

The Directors noted that Changsha Star City, the owner of 48.5% of the registered capital of Songya Lake Construction, has also executed a guarantee in favour the Banks on 31 January 2013 to secure the obligations of Songya Lake Construction under the Facility Agreement. Pursuant to the guarantee provided by Changsha Star City, where the collateral provided by Songya Lake Construction under the Facility Agreement as set out below and the amount covered under the Guarantee are insufficient to cover the amount outstanding and not duly repaid by Songya Lake Construction under the Facility Agreement, including any utilised principal amount of the Facility, interest, default interest, compound interest, compensation, default fine, compensation for damages payable by Songya Lake Construction under the Facility Agreement and expenses incurred by the Banks in enforcing the claims under the Facility Agreement, the difference will be borne by Changsha Star City.

### *Duration of the Guarantee*

The obligations of the Company under the Guarantee will expire on the date which is two years after the relevant liability under the Facility Agreement has been performed.

### *Effectiveness of the Guarantee*

The Guarantee shall become effective after it has been executed by the parties thereof and upon the approval of it by the Shareholders at the SGM.

## LETTER FROM THE BOARD

### **The Facility Agreement**

The Facility Agreement was entered into between Songya Lake Construction as the borrower and the Banks as the lenders on 31 January 2013.

Songya Lake Construction is a company established in the PRC with limited liability and as at the Latest Practicable Date, Songya Lake Construction has a registered capital of RMB105.15 million which is owned as to 46.6% by Chaunqi Tourism, a non-wholly owned subsidiary of the Company, 48.5% by Changsha Star City which is under the supervision of County Government and the remaining 4.9% by another Independent Third Party. Songya Lake Construction has an approved business scope including, among others, investment and development in harbour, airport and traffic projects, investment in tourism and high technology industries, land development under the PRC laws and regulations, urban infrastructure project development and hotel business. As at the Latest Practicable Date, Songya Lake Construction is mainly designated by County Government to provide construction service under the Chenghu Project and to provide primary land development service under the Huanhu Project, details of which were disclosed in the Acquisition Announcement.

Based on the unaudited consolidated financial statements of Songya Lake Construction for the year ended 31 December 2012, which were prepared in accordance with the PRC Generally Accepted Accounting Principles, the unaudited consolidated total assets and net asset value of Songya Lake Construction as at 31 December 2012 were approximately RMB1,240.3 million and RMB110.1 million respectively.

The major terms of the Facility Agreement are briefly set out below:

#### *Facility type and duration*

The Facility is a term loan facility with a term of 10 years commencing from the date on which the initial utilised amount is drawn down with an extension period of three years during which Songya Lake Construction may choose to repay only the interest accrued on the utilised and outstanding amounts.

#### *Amount of the Facility*

The aggregate amount of the Facility is RMB986 million which will be provided by the Banks in the following manner:

- (a) an amount of RMB586 million will be provided by China Development Bank Co. Ltd.; and
- (b) the remaining amount of RMB400 million will be provided by Bank of Beijing Co., Ltd.

## LETTER FROM THE BOARD

### *Drawdown of the Facility*

Subject to fulfillment of the conditions precedent to the drawdown of the Facility (which includes the Guarantee having become effective), an initial amount of RMB200 million shall be drawn down by Songya Lake Construction on 26 March 2013 and the schedule for the draw down of the remaining amount of the Facility shall be subject to the further agreement between Songya Lake Construction and the Banks.

### *Interest rates*

The initial interest rate under the Facility Agreement will be 10% above the benchmark lending interest rate for loans of the same term published by The People's Bank of China on the date of the initial amount being drawn down. The interest rate under the Facility Agreement during the term will be adjusted according to the adjustments of the benchmark lending interest rate for loans of the same term published by The People's Bank of China from time to time and the adjustment of the interest rate under the Facility Agreement will be effective on the date on which the adjustment of the benchmark lending interest rate for loans of the same term published by The People's Bank of China.

### *Schedule for repayment of the principal amount*

Songya Lake Construction shall repay the principal amounts under the Facility on 26 March 2016, 20 November 2016 and thereafter on 20 May and 20 November of each calendar year from 2017 to 2022 and the amount of each repayment shall be RMB65 million and the last repayment shall be repaid on 25 March 2023 and the amount of the last repayment shall be RMB76 million.

### *Schedule for payment of interest*

Songya Lake Construction shall pay the interest accrued on the utilised and outstanding principal amount on 20 March, 20 June, 20 September and 20 December of each calendar year during the term of the Facility but the last interest payment date shall be the date on which the last principal amount is due under the Facility Agreement.

### *Collateral provided as security*

Pursuant to the Facility Agreement, apart from the Guarantee and the guarantee provided by Changsha Star City, Songya Lake Construction has also executed on 31 January 2013 (a) a mortgage contract whereby the land use rights of three parcels of land situated in Changsha County with an aggregate gross area of approximately 300,000 square meters held by Songya Lake Construction were mortgaged to the Banks and (b) a pledge contract whereby all the rights, interests and the receivables to which it is entitled under the Project were pledged to the Banks as security.

### *Purpose of the Facility*

The Facility shall be utilised by Songya Lake Construction for the payment of construction costs of the Project, i.e., the flood prevention and drainage and water ecological restoration and construction project located in Changsha County, Hunan Province, the PRC.

## LETTER FROM THE BOARD

### *The Project*

The Project is part of the Chenghu Project as described below.

### *The Chenghu Project*

As disclosed in the Acquisition Announcement, Songya Lake Construction was designated by the County Government to provide construction service for an infrastructure project, the Chenghu Project (as defined in the Acquisition Announcement), and the primary land development service, the Huanhu Project (as defined in the Acquisition Announcement), according to a cooperation agreement (“**Cooperation Agreement**”) entered into between Beida High Technology and County Government on 28 November 2009. In respect of the Chenghu Project, under the Cooperation Agreement, Songya Lake Construction shall be responsible for the construction of landscape architectures centered on the Songya Lake located at Xing Sha, Changsha County, Hunan Province, the PRC, and the construction of roads in relation thereto with a total length of 8,700 meters and funding the construction cost in connection therewith which shall be borne by County Government through the income generated from the Huanhu Project (as defined in the Acquisition Announcement). Such cost shall be paid back to Songya Lake Construction and County Government shall pay to Songya Lake Construction a construction service fee annually which shall be equal to 5% of the audited actual construction cost incurred in the immediately preceding year. In addition, County Government has agreed to advance funds to Songya Lake Construction before Songya Lake Construction is required to repay its lenders who provide construction loans to Songya Lake Construction, to ensure that Songya Lake Construction can repay the relevant loans on time.

The pre-construction works under the Chenghu Project had been completed, and construction of roads under the Chenghu Project commenced in May 2012. The Chenghu Project is expected to be completed by the end of 2014.

### **REASONS FOR AND BENEFITS OF THE PROVISION OF THE GUARANTEE**

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

The purpose of the obtaining the Facility by Songya Lake Construction is to finance the payment of construction costs of the Project, i.e., the flood prevention and drainage and water ecological restoration and construction project located in Changsha County, Hunan Province, the PRC, which is part of the Chenghu Project and the purpose of the Guarantee, together the guarantee provided by Changsha Star City executed separately, is to secure the due and punctual performance of the obligations of Songya Lake Construction under the Facility Agreement as requested by the Banks.

## LETTER FROM THE BOARD

As disclosed in the Acquisition Announcement, in the Chenghu Project, the construction costs incurred by Songya Lake Construction would be paid back to Songya Lake Construction and County Government would pay to Songya Lake Construction a construction service fee annually which shall be equal to 5% of the audited actual construction cost incurred in the immediately preceding year. As mentioned above, as County Government has agreed to advance funds to Songya Lake Construction before Songya Lake Construction is required to repay its lenders who provide construction loans to Songya Lake Construction, Songya Lake Construction should be able to repay the loan under the Facility.

After considering that (i) the Company, through its non-wholly owned subsidiary, Chuanqi Tourism with 60% of its registered capital being owned by the Company, indirectly owns 46.6% of the registered capital of Songya Lake Construction, (ii) the amount covered under the Guarantee, i.e., RMB200 million in respect of the principal amount utilized under the Facility, is equivalent to approximately 20.28% of the total principal amount of the Facility and such percentage is less than the percentage interest in the registered capital of Songya Lake Construction attributable to the Company, i.e., approximately 28%, (iii) the Undertaking provided by Songya Lake Construction as mentioned above, (iv) the reason for the provision of the Guarantee as mentioned above, (v) the terms of the Guarantee were negotiated on arm's length basis, and (vi) the economic benefits to which Songya Lake Construction is entitled under the Chenghu Project as mentioned above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Guarantee are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the provision of the Guarantee is 25% or more and all of the applicable percentage ratios are less than 100%, the provision of the Guarantee constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. Therefore, the provision of the Guarantee is subject to the notification, announcement, circular and shareholders' approval requirements under the GEM Listing Rules.

### SGM

The SGM will be held at 10:30 a.m. on Monday, 25 March 2013 at Room 312, Block A, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC for the Shareholders to consider and, if thought fit, approve, among other matters, the Guarantee.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interests in the provision of the Guarantee. As such, no Shareholders would be required under the GEM Listing Rules to abstain from voting at the SGM in respect of resolutions relating to the provision of the Guarantee and other transactions contemplated under the Guarantee.

## LETTER FROM THE BOARD

A notice convening the SGM, the form of proxy and the reply slip for the SGM have been issued by the Company on 7 February 2013. For holders of H Shares, you are required to return the form of proxy to the Company's 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 promoter 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 promoter 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.

### RECOMMENDATION

The Board considers that the Guarantee is fair and reasonable and in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM.

### ADDITIONAL INFORMATION

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

On behalf of the Board  
**Beijing Beida Jade Bird Universal Sci-Tech Company Limited**  
**Xu Zhendong**  
*Chairman*

## 1. INDEBTEDNESS OF THE GROUP

At the close of business on 31 December 2012, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had total outstanding borrowings of approximately RMB138.8 million, comprising secured bank loans of approximately RMB92.6 million (of which approximately RMB82.6 million were guaranteed), unsecured and unguaranteed bank loans of approximately RMB0.2 million, a guaranteed finance leases payables of approximately RMB0.3 million and unsecured and unguaranteed other loans from an associate, a related party and third parties of approximately RMB0.8 million, RMB25.1 million and RMB19.8 million respectively.

At the close of business on 31 December 2012, the Group's secured bank loans of approximately of RMB92.6 million were secured by (i) the pledge of the Group's property, plant and equipment, investment property and intangible assets; (ii) all monies charge over deposits and bank balances executed by a subsidiary of the Company in favour of a bank; (iii) the corporate guarantees given by the Company and a subsidiary of the Company; (iv) personal guarantees by a non-controlling shareholder of a subsidiary of the Company and her spouse and (v) assignment of insurance policies owned by a subsidiary of the Company.

At the close of business on 31 December 2012, the contingent liability of the Group is the contingency as disclosed in Note 34 to the consolidated financial statements of the Company for the year ended 31 December 2011. During the year ended 31 December 2011, a subsidiary of the Company received an assessment demanding final tax for the year of assessment 2004/2005 from The Hong Kong Inland Revenue Department ("IRD"). The amount of this assessment was approximately HK\$47.9 million (equivalent to approximately RMB38.8 million) in which approximately HK\$47.7 million (equivalent to RMB38.7 million) relating to a claim for gain on disposal of long term investment recognised during the year ended 31 December 2004. Since pending reply from the IRD, the outcome of the tax claim cannot be readily ascertained up to the Latest Practicable Date. Should the assessment regarding claim for the gain be finally judged against the subsidiary of the Company, the Group will have a cash outflow of approximately HK\$47.7 million (equivalent to approximately RMB38.7 million).

Save as aforesaid, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 December 2012, the Group did not have any other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

## 2. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after taking into account the financial resources presently available to the Group, in the absence of unforeseeable circumstance, the Group has sufficient working capital for its present requirements that is for at least the next twelve months following the date of this circular.



### 3. FINANCIAL AND TRADING PROSPECTS

The Group will remain focus on the two directions of strengthening core businesses and exploring investment opportunities.

The predetermined strategies for the electronic fire alarm and interactive control system business (“**Fire Alarm Business**”) owned and operated by 北大青鳥環宇消防設備股份有限公司 (Beida Jade Bird Universal Fire Alarm Device Company Limited<sup>#</sup>) (previously known as 河北北大青鳥環宇消防設備有限公司 (Hebei Beida Jade Bird Universal Fire Alarm Device Co., Ltd.<sup>#</sup>)) (“**Jade Bird Fire Alarm**”), a non-wholly owned subsidiary of the Company, being dealer recruitment, selling terminal establishment and dealer coverage expansion will be continued to solidify market share. Trainings will be continued to upgrade the sales workforce while promotions will be conducted to further strengthen customer trust. The Company proposed the proposed spin-off of the Fire Alarm Business of Jade Bird Fire Alarm by way of a separate listing of the Fire Alarm Business under Jade Bird Fire Alarm on The Small and Medium Enterprises Board operated by the Shenzhen Stock Exchange, further details of which are set out in the Company’s announcements dated 17 December 2012 and 1 February 2013.

The Group will continue with the operation of the environmental tourist bus service business in Hengshan Mountain, Henyang, Hunan province and engaged in property management of certain properties in the Hengshan Mountain scenic area. Besides striving for high bus service utilisation rate, the Group will continue to diversify the tourism development business through participating in relating projects. On 25 January 2013, the Group entered into a cooperation agreement in relation to the formation of a joint venture company in the PRC for the purpose of joint development of 長白山文化創意產業園 (Changbai Mountain Culture Creative Park<sup>#</sup>) located at Chibei District, Jilin Province, the PRC, including, among others, 4-dimensional cinema(s), theme restaurant(s) and travel product shop(s) and resort(s), further details of which are set out in the announcement of the Company dated 25 January 2013.

The Group is also engaged in fund, debt and equity investments and other businesses. The Group will remain focus on exploring any further investment opportunities to diversify its businesses. The Group newly acquired a grape wine business in early 2012 and its export of wine to PRC started. By conducting a series of marketing campaigns and improving the facilities of the winery, remarkable growth in the grape wine business is expected.

<sup>#</sup> English translation of a Chinese company or entity name and is provided for identification purpose only

### 4. EFFECT OF THE TRANSACTION ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

Apart from the Guarantee will be considered as contingent liabilities of the Company, the provision of the Guarantee by the Company will not have any impact on the earnings, assets and liabilities of the Group.



## 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 Company. 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 circular misleading.

## 2. INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

- (a) As at the Latest Practicable Date, the interests and short positions of each of Director, Supervisor and chief executives of the Company in the shares or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which 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 in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### Long positions in ordinary shares and underlying shares of the Company

Name of Director	Capacity	Number of ordinary shares			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
		Interests in Promoter Shares (Note)	Interests in H Shares	Total			
Mr. Xu Zhendong	Beneficial owner and beneficiary of trust	205,414,000	12,070,000	217,484,000	29.34%	2.49%	18.36%
Mr. Xu Zhixiang	Beneficial owner and beneficiary of trust	205,414,000	11,527,000	216,941,000	29.34%	2.38%	18.31%
Mr. Zhang Wanzhong	Beneficial owner and beneficiary of trust	205,414,000	12,070,000	217,484,000	29.34%	2.49%	18.36%
Mr. Chen Zongbing	Beneficial owner	-	16,209,000	16,209,000	-	3.34%	1.37%
<b>Name of Supervisor</b>							
Mr. Zhang Yongli	Beneficial owner and beneficiary of trust	205,414,000	13,200,000	218,614,000	29.34%	2.72%	18.45%
Ms. Zhou Min	Beneficiary of trust	205,414,000	-	205,414,000	29.34%	-	17.34%

*Note:* The above Directors and Supervisors are taken to be interested in the Shares 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 北京北大青鳥軟件系統有限公司 (Beijing Beida Jade Bird Software System Co., Ltd.<sup>#</sup>) (“**JB Software**”), 北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited<sup>#</sup>) (“**Beida Jade Bird**”) and 北京北大宇環微電子系統有限公司 (Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd.<sup>#</sup>) 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.

<sup>#</sup> *English translation of a Chinese company or entity name and is provided for identification purpose only*

- (b) Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which 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 the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

- (a) As at the Latest Practicable Date, so far as is known to the Directors, the following persons, other than the Director, Supervisor or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which are required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

#### Long positions in ordinary shares and underlying shares of the Company

Name of shareholder	Notes	Capacity	Number of promoter Shares held	Approximate percentage of the Company's total number of issued promoter Shares	Approximate percentage of the Company's total issued share capital
1. Peking University	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
2. 北大資產經營有限公司 Beida Asset Management Co., Ltd.#	(a)	Through controlled corporations	200,000,000	28.57%	16.88%
3. 北京北大青島軟件系統有限公司 Beijing Beida Jade Bird Software System Co., Ltd.# ("JB Software")	(a) and (b)	Through controlled corporations	200,000,000	28.57%	16.88%
4. 北京北大青島有限責任公司 Beijing Beida Jade Bird Limited# ("Beida Jade Bird")	(a) and (c)	Directly beneficially owned and through a controlled corporation	200,000,000	28.57%	16.88%
5. 深圳市北大青島科技有限公司 Shenzhen Beida Jade Bird Sci-Tech Co., Ltd.# ("SZ Jade Bird")	(a)	Directly beneficially owned	85,000,000	12.14%	7.17%
6. Grand East (H.K.) Limited		Directly beneficially owned	110,000,000	15.71%	9.28%
7. Heng Huat Investments Limited ("Heng Huat")	(d)	Through a controlled corporation	205,414,000	29.34%	17.34%
8. Dynamic Win Assets Limited ("Dynamic Win")	(d)	Directly beneficially owned	205,414,000	29.34%	17.34%
9. Mongolia Energy Corporation Limited	(e)	Through a controlled corporation	84,586,000	12.08%	7.14%
10. New View Venture Limited	(e)	Directly beneficially owned	84,586,000	12.08%	7.14%
11. 亞洲技術投資有限公司 Asian Technology Investment Company Limited#		Directly beneficially owned	50,000,000	7.14%	4.22%

Notes:

- (a) 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 Shares (representing approximately 7.17% of the Company's total issued share capital) held by SZ Jade Bird, which is 90% beneficially owned by Beida Jade Bird;
  - (ii) 115 million 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 JB Software.

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

- (b) The interests of JB Software comprise 200 million Shares held by Beida Jade Bird.
- (c) The interests of Beida Jade Bird comprise 115 million Shares held by it and 85 million Shares held by SZ Jade Bird.
- (d) The Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat.
- (e) The Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (f) Mr. Xu Zhendong is the chairman and a director of JB Software, Mr. Xu Zhixiang is a director of JB Software, a director and the chief executive officer of Beida Jade Bird and each of Mr. Zhang Wanzhong, Mr. Chen Zongbing and Ms. Zheng Zhong is a vice president of Beida Jade Bird.

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- (b) Save as disclosed in this circular, so far as is known to the Directors, as at the Latest Practicable Date, there was no other person who had an interest or short position in the shares and underlying shares of the Company which are required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 4. INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date,

- (a) none of the Director or the Supervisors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up; and
- (b) none of the Directors or the Supervisors was materially interested in contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

## 5. LITIGATION

Neither the Company nor any other member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any other member of the Group as at the Latest Practicable Date.

## 6. MATERIAL ADVERSE CHANGE

As at 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 2011 (being the date to which the latest published audited financial statements of the Group were made up).

## 7. SERVICE CONTRACTS

Each of the Directors 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 has 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).

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding the date of this circular which are or may be material:

- (a) the renewal agreement dated 30 May 2011 entered into between Jade Bird Fire Alarm, a non-wholly owned subsidiary of the Company, and 上海北大青鳥消防設備銷售有限公司 (Shanghai Beida Jade Bird Fire Equipment Marketing Company Limited<sup>#</sup>) (“**Shanghai Jade Bird Fire**”), pursuant to which Jade Bird Fire Alarm agreed to continue to supply fire alarm products to Shanghai Jade Bird Fire for three years ending 31 December 2013, at the estimated annual cap amounts being RMB16 million, RMB22 million and RMB30 million for each of the three years ending 31 December 2011, 2012 and 2013 respectively, further details of which are set out in the announcement of the Company dated 30 May 2011;

- (b) the equity transfer agreement dated 30 May 2011 entered into between Beida High Technology and Chuanqi Tourism, a direct non-wholly owned subsidiary of the Company, pursuant to which Chuanqi Tourism conditionally agreed to acquire and Beida High Technology conditionally agreed to sell 46.6% of the registered capital of Songya Lake Construction at the consideration of RMB53 million and Chuanqi Tourism also agreed to provide an interest-free shareholder's loan with an amount of no more than RMB40 million to Songya Lake Construction, further details of which are set out in the announcement of the Company dated 30 May 2011;
- (c) the purchase and sale agreement dated 30 November 2011 entered into between members ("Members") holding their equity interests in PWC Winery, LLC ("PWC Winery") and WESION, INC ("WESION"), an indirect wholly-owned subsidiary of the Company, pursuant to which WESION conditionally agreed to acquire and Members conditionally agreed to sell up to 75% of the Members' equity interest in PWC Winery, at the consideration of approximately USD3.2 million, further details of which are set out in the announcement of the Company dated 2 December 2011;
- (d) the cooperation agreement dated 25 January 2013 entered into between Chuanqi Tourism, a direct non-wholly owned subsidiary of the Company, and 吉林省長白山開發建設(集團)有限責任公司 (Jilin Province Changbai Mountain Development and Construction Limited<sup>#</sup>) ("CMDC"), in relation to the formation of the joint venture company to be established in the PRC for the purpose of joint development of 長白山文化創意產業園 (Changbai Mountain Culture Creative Park<sup>#</sup>), and the registered capital of which will be contributed as to RMB35 million by Chuanqi Tourism and as to RMB15 million by CMDC, further details of which are set out in the announcement of the Company dated 25 January 2013; and
- (e) the Guarantee.

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## 9. COMPETING BUSINESS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or their respective 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.

**10. GENERAL**

- (a) The registered office of the Company is at 3rd Floor, Beida Jade Bird Building, Yanyuan District Area 3, No. 5 Haidian Road, Haidian District, Beijing 100080, the PRC.
- (b) The principal place of business of the Company in the PRC is at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC.
- (c) The principal place of business of the Company in Hong Kong is at Room 1002, 10th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (d) The share registrar and transfer office of the Company in Hong Kong is Hong Kong Registrars Limited at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The company secretary of the Company is Mr. Chan Chi Hung who is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (f) The compliance officer of the Company is Mr. Zhang Wanzhong, who is the executive Director and president of the Company.
- (g) The Company established its Audit Committee with terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee include monitoring the financial reporting system and internal control procedure of the Group, reviewing financial information and advising the Board on the engagement and independence of external auditors.

The Audit Committee comprises four members. The chairman is Mr. Shao Jiulin (“**Mr. Shao**”). The three members are Mr. Cai Chuanbing (“**Mr. Cai**”), Mr. Lin Yan (“**Mr. Lin**”) and Mr. Li Juncai (“**Mr. Li**”). All of them are independent non-executive Directors.

Mr. Shao is a senior accountant, certified accountant and certified tax agent in the PRC. He was an independent director of 濰坊北大青島華光科技股份有限公司 (Weifang Beida Jade Bird Huaguang Technology Co., Ltd.) (Stock code: 600076), a company listed on The Shanghai Stock Exchange. He is currently an independent director of 榮豐控股集團股份有限公司 (Rongfeng Holding Group Co., Ltd.) (Stock code: 000668), 廣西貴糖(集團)股份有限公司 (Guangxi Guitang (Group) Co., Ltd.) (Stock code: 000833) and 金谷源控股股份有限公司 (Jingu Yuan Holding Co., Ltd.) (Stock code: 000408), the shares of these three companies are listed on Main Board of Shenzhen Stock Exchange. Mr. Shao is also the vice president of China Qinlu Industrial Development Co., Ltd.

Mr. Cai is the chairman of the communications branch of China Institute of Internal Audit. He was an independent non-executive director of Yue Da Mining Holdings Limited (Stock code: 629), a company listed on Main Board of the Stock Exchange, from November 2001 to May 2010. Mr. Lin was qualified as a PRC solicitor for securities of the first batch in 1993. Mr. Lin is a solicitor and a partner of Beijing Xinghe Law Firm. Mr. Li is a senior engineer of geological and mineral resources, certified appraiser of mining concession and certified valuer of real estate. He is currently the chairman of Heilongjiang Province Huan Cheng Mineral Resources Appraisal and Consultant Ltd.

- (h) The English text of this circular shall prevail over the Chinese text.

#### 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:00 p.m. at the principal office of the Company in Hong Kong from the date of this circular up to 25 March 2013:

- (a) articles of association of the Company;
- (b) the service contracts of the Directors and Supervisors referred to in the paragraph headed "Service Contracts" in this appendix;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (d) the annual reports of the Company for the years ended 31 December 2010 and 2011; and
- (e) this circular.