

**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: ESTABLISHMENT OF THE JV COMPANY**

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 23 January 2014. 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.

21 February 2014

## 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 requires otherwise, the following expressions have the following meanings:*

“BJ Artix”	北京阿特斯投資有限公司 (Beijing Artix Investment Company Limited <sup>#</sup> ), a company incorporated with limited liability in the PRC and is principally engaged in investment holding
“BJ Mingde”	北京明德廣業投資諮詢有限公司 (Beijing Mingde Guangye Investment Consultant Company Limited <sup>#</sup> ), a company incorporated with limited liability in the PRC and is principally engaged in investment holding
“BJ Zhongyi”	北京中億創一科技發展有限公司 (Beijing Zhongyi Chuangyi Technological Development Company Limited <sup>#</sup> ), a company incorporated with limited liability in the PRC and is principally engaged in technology development and consultation
“Board”	the board of Directors
“CIRC”	China Insurance Regulatory Commission
“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
“Director(s)”	the director(s) of the Company
“First Capital Contribution”	the capital contribution in the aggregate amount of RMB5,000,000 by the JV Parties pursuant to the terms and conditions of the Investment Agreement
“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

## DEFINITIONS

“Independent Third Party”	third party independent of the Company and connected persons of the Company and “ <b>Independent Third Parties</b> ” shall be construed accordingly
“Investment Agreement”	the investment agreement dated 9 January 2014 entered into between the JV Parties, the Organising Team and the Management Team
“JV Company”	a joint venture company to be established with limited liability in the PRC in accordance with the terms and conditions of the Investment Agreement
“JV Directors”	the directors of the JV Company
“JV Parties”	collectively, the Company and the JV Partners
“JV Partners”	collectively, SZ Hulian, BJ Artix, TJ Junfeng, BJ Zhongyi, XJ Dingxin, BJ Mingde and XJ Qianyuan
“JV Share(s)”	the share(s) of the JV Company of RMB1 each
“Latest Practicable Date”	18 February 2014, being the last practicable date before the printing of this circular for the purpose of ascertaining information for inclusion in this circular
“Management Team”	the team which is responsible for the management of the JV Company after the establishment of the JV Company, which is represented by Mr. Zhou Ji (周霁), each member of the team who is an Independent Third Party
“Organising Team”	the team which is responsible for the establishment of the JV Company and the obtaining of the requisite licenses for commencement of operation by the JV Company, which is represented by Mr. Zhou Ji (周霁), each member of the team is an Independent Third Party
“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	renminbi, the lawful currency of the PRC
“Second Capital Contribution”	the capital contribution in the aggregate amount of RMB995,000,000 by the JV Parties pursuant to the terms and conditions of the Investment Agreement

## DEFINITIONS

“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 Monday, 10 March 2014 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 entering into of the Investment Agreement and the transactions contemplated thereunder
“Shareholder(s)”	the shareholder(s) of the Company
“Shares”	the ordinary shares of RMB0.1 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Hulian”	深圳市互聯新天地信息技術有限公司 (Shenzhen Hulian Xintiandi Information Technology Company Limited <sup>#</sup> ), a company incorporated with limited liability in the PRC and is principally engaged in technology development and sale of electronic products
“TJ Junfeng”	天津市峻峰鋼材貿易有限公司 (Tianjin Junfeng Steel Trade Co., Ltd. <sup>#</sup> ), a company incorporated with limited liability in the PRC and is principally engaged in the sale of metallic products
“Working Day”	any normal working day other than a public holiday in the PRC
“XJ Dingxin”	新疆鼎新華域股權投資有限公司 (Xinjiang Dingxin Huayu Equity Investment Company Limited <sup>#</sup> ), a company incorporated with limited liability in the PRC and is principally engaged in investment holding
“XJ Qianyuan”	新疆乾元潤德股權投資有限公司 (Xinjiang Qianyuan Runde Equity Investment Company Limited <sup>#</sup> ), a company incorporated with limited liability in the PRC and is principally engaged in investment holding
“%”	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  
Mr. Xu Zhixiang  
Mr. Zhang Wanzhong

*Non-Executive Directors:*

Mr. Zhang Yongli  
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 7605, 76th Floor  
The Center  
99 Queen's Road Central  
Hong Kong

21 February 2014

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION: ESTABLISHMENT OF THE JV COMPANY**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 9 January 2014 in which the Company announced that on 9 January 2014, the Company entered into the Investment Agreement with the JV Partners, the Organising Team and the Management

## LETTER FROM THE BOARD

Team, in relation to the establishment of the JV Company in the PRC which will be engaged in provision of life insurance products and services in the PRC. Pursuant to the Investment Agreement, the Company has conditionally agreed to subscribe for an aggregate of 200,000,000 JV Shares by a total capital contribution of RMB200,000,000, equivalent to 20% of the total registered capital of the JV Company.

The purpose of this circular is to provide you with, among other things, details of the Investment Agreement.

Set out below are the principal terms of the Investment Agreement:

### PRINCIPAL TERMS OF THE INVESTMENT AGREEMENT

#### Date

9 January 2014

#### Parties

- (1) the Organising Team and the Management Team;
- (2) the Company; and
- (3) the JV Partners.

Mr. Zhou Ji and Mr. Chen Yong are the members of the Organising Team, which is formed for the purpose of handling the matters in relation to the establishment of the JV Company. After the establishment of the JV Company, Mr. Zhou Ji will be the legal person and chairman of the JV Company, and Mr. Chen Yong will be the vice president of the JV Company. As at the Latest Practicable Date, Mr. Zhou Ji and Mr. Chen Yong were also the only members of the Management Team. Other members of the Management Team will be recruited after the establishment of the JV Company.

Mr. Zhou Ji is a holder of the master degree in biomedical engineering of Drexel University in Philadelphia, the United States of America. Mr. Zhou Ji had been the general manager of the investment banking division in a securities company in the PRC, and the vice president as well as the chairman of the investment banking division of another securities company in the PRC, which provided full range investment banking services to the clients, including securities underwriting and capital market related advisory services. Mr. Zhou Ji possesses substantial experience in overall management of the business operation and strategic development of large companies. As investment income on investment of funds received by the JV Company is expected to form part of the income of the JV Company, Mr. Zhou Ji's experience in investment will also be beneficial to the business and operation of the JV Company.

Mr. Chen Yong studied Computer Studies in Yuzhou University (now known as Chongqing Technology and Business University), studied insurance in Singapore College of Insurance and studied finance in Dongbei University of Finance and Economics.



## LETTER FROM THE BOARD

Mr. Chen Yong had 31 years of experience in the businesses of information technology and financial insurance. Mr. Chen Yong had experience in developing the operation systems for an insurance company in the PRC, marketing and sales of insurance products, as well as the development of software tailored for the use of the insurance business. Mr. Chen Yong had also been in charge of the establishment of an insurance company in the PRC and had been the vice general manager and the chief financial officer of such insurance company after its establishment. As the JV Company plans to focus on using e-commerce platform as its major sales channel, the knowledge and experience in information technology and the insurance business possessed by Mr. Chen Yong would be beneficial to the sales and marketing of the products of the JV Company, as well as the development and management of the JV Company as a whole.

Based on the above, the Directors are of the view that Mr. Zhou Ji and Mr. Chen Yong possess the relevant experience for managing the JV Company.

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, save that (i) SZ Hulian and BJ Artix were parties acting in concert, and (ii) BJ Mingde and XJ Qianyuan were held by the same controlling shareholders, there was no relationship in-between the JV Partners other than the Company.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each member of the Organising Team and the Management Team, and each of the JV Partners and their respective ultimate beneficial owner is an Independent Third Party.

### Registered capital

The registered capital of the JV Company will be RMB1,000,000,000. Set out below is the agreed contributions by the JV Parties and their respective equity interests in the JV Company:

JV Parties	First Capital Contribution RMB	Second Capital Contribution RMB	Total Capital Contribution RMB	No. of JV Shares to be subscribed for	Percentage of shareholding immediately upon the establishment of the JV Company
The Company	1,000,000	199,000,000	200,000,000	200,000,000	20%
SZ Hulian	500,000	99,500,000	100,000,000	100,000,000	10%
BJ Artix	500,000	99,500,000	100,000,000	100,000,000	10%
TJ Junfeng	1,000,000	199,000,000	200,000,000	200,000,000	20%
BJ Zhongyi	700,000	139,300,000	140,000,000	140,000,000	14%
XJ Dingxin	600,000	119,400,000	120,000,000	120,000,000	12%
BJ Mingde	500,000	99,500,000	100,000,000	100,000,000	10%
XJ Qianyuan	200,000	39,800,000	40,000,000	40,000,000	4%

## LETTER FROM THE BOARD

Any profit derived from the JV Company will be shared by the JV Parties proportionately to their respective shareholdings in the JV Company.

The capital contribution to be made by the Company is determined by (i) the Company's interest in the JV Company, i.e. 20%; and (ii) the total registered capital of RMB1,000,000,000, which is determined after taking into account of the potential capital needs of the JV Company. The JV Parties have agreed to make the capital contribution in cash in two stages. The First Capital Contribution as set out above shall be made by the JV Parties within 5 Working Days from the effective date of the Investment Agreement. The Second Capital Contribution as set out above shall be made by the JV Parties within 10 Working Days after receipt of written notice from the Organising Team that preliminary works for the establishment of the JV Company have been accomplished in accordance with the request by the CIRC.

Each of the First Capital Contribution and the Second Capital Contribution to be made by the Company under the Investment Agreement will be funded by the Group's internal resources.

If approval is not granted by the CIRC by the 6th month after the acceptance of the application of the establishment of the JV Company, the JV Parties may choose to continue to proceed with the application upon unanimous agreement. If any of the JV Parties chooses to terminate the application, the application shall be terminated and audit shall be conducted against the expenses incurred, and the balance of the capital contribution made by the JV Parties shall be refunded to them in proportion to their respective capital contribution to the JV Company.

If the CIRC rejects the application for the establishment of the JV Company, the Investment Agreement will be automatically terminated.

### **Board composition**

The board of the JV Company shall consist of 9 directors. The Organising Team and the Management Team are entitled to nominate 2 JV Directors, while SZ Hulian and BJ Artix together are entitled to nominate 1 JV Director, and each of the Company, TJ Junfeng, BJ Zhongyi and XJ Dingxin is entitled to nominate 1 JV Director. 2 JV Directors shall be independent directors.

### **JV Shares to be held by the Organising Team and the Management Team**

The JV Parties have agreed that, after the establishment of the JV Company, SZ Hulian, BJ Artix, TJ Junfeng and BJ Mingde shall transfer, 5,000,000, 5,000,000, 10,000,000 and 30,000,000 JV Shares to the Organising Team respectively. Such an aggregate of 50,000,000 JV Shares ("**Bonus JV Shares**") to the Organising Team is a reward to the Organising Team for their effort in the establishment of the JV Company. The Organising Team shall not transfer such Bonus JV Shares within 5.5 years after the establishment of the JV Company.

## LETTER FROM THE BOARD

The JV Parties have also agreed that, within one year after the establishment of the JV Company, the Management Team may establish a holding company which would be entitled to purchase 5,000,000, 5,000,000, 10,000,000 and 30,000,000 JV Shares from SZ Hulian, BJ Artix, TJ Junfeng and BJ Mingde respectively at the price of RMB1 per JV Share. Such an aggregate of 50,000,000 JV Shares is equivalent to 5% of the issued share capital of the JV Company as at the date of its establishment.

It is a term of the Investment Agreement that, within 6 months after the 5th anniversary of the establishment of the JV Company, if the value of the JV Shares is less than RMB2 per JV Share, SZ Hulian, BJ Artix, TJ Junfeng and BJ Mingde are entitled to request the Oranising Team to transfer 50% of their respective contribution to the Bonus JV Shares back to them at nil consideration. Such option shall be exercised once only. If any of SZ Hulian, BJ Artix, TJ Junfeng and BJ Mingde wishes to exercise such option, a written request shall be made by the holder of such option within 30 days after the 5th anniversary of the establishment of the JV Company, failing which, the holder of such option shall be deemed to have given up such option permanently.

### **Conditions Precedent**

The Investment Agreement will become effective only upon the fulfillment of the following conditions:

- (1) the JV Parties having signed and affixed their respective common seals to the Investment Agreement; and
- (2) the Investment Agreement and the capital contribution proposed to be made by the Company having been approved by the Shareholders or the Directors or other authorities pursuant to the articles of association of the Company and the GEM Listing Rules.

In the event that the above conditions precedent have not been fulfilled on or before 30 June 2014, the Investment Agreement shall lapse and thereafter neither party to the Investment Agreement shall have any rights or obligations towards each other.

### **THE JV COMPANY**

The establishment of the JV Company (which is intended to engage in the provision of life insurance products and services in the PRC) is subject to the approval of the CIRC. Application for the establishment of the JV Company should be submitted to the CIRC. The CIRC will then review the application and will usually notify the results in writing within 6 months after the acceptance of the application.

Once approval is granted by the CIRC for the establishment of the JV Company which will conduct insurance business, the establishment of the JV Company should be completed within one year after receipt of such approval, failing which the approval shall lapse automatically.

## LETTER FROM THE BOARD

After the establishment of the JV Company, application should be made to the CIRC for the commencement of business. The CIRC will review the application and will either issue the insurance business licence to the JV Company or notify the JV Company of the rejection of the application within 60 days.

After obtaining the insurance business licence issued by the CIRC, the JV Company should register at the relevant government authority and obtain the business licence from the administration for industry and commerce of the PRC before commencement of business.

As at the Latest Practicable Date, the Company had only entered into the Investment Agreement for the establishment of the JV Company, and the application for obtaining the relevant licenses had not yet commenced.

The principal activity of the JV Company will be writing of life insurance business, providing life, annuities, accident and health insurance products in the PRC. It is proposed that the JV Company will commence its operation in Shanghai for the first two years after its establishment. After building up a solid foundation in the insurance industry, the JV Company will consider expanding its operation to other parts of the PRC, in particular, the rural areas and the central and western regions of the PRC, which are considered to be markets with significant growth potential.

It is the strategy of the JV Company to increase its market share in the insurance industry by developing more new products which are in greater demand, such as mortgage life insurance and life-long medical insurance. Apart from increasing its product portfolio, the JV Company will make use of the internet sales platform as its major sales channel for the insurance products.

The JV Company will earn revenues primarily from premium income from the sales of life, annuities, accident and health insurance products, which are developed by the JV Company itself, through its direct sales representatives, insurance agents and brokers. The JV Company also expects to receive investment income from investment of funds received by the JV Company (such as investment in the form of trading of securities, investment of real estate and other types of investments permissible under the relevant insurance laws and regulations in the PRC).

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT 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.

In the PRC, “insurance density” is measured by total insurance premium per capita and “insurance depth” is measured by the total insurance premium as a percentage of gross domestic products, which are the two key indicators for the growth of development and the potential of the insurance industry. According to the CIRC, for the period from 1999 to 2012, (i) the total insurance premiums in the PRC increased by a compound annual

## LETTER FROM THE BOARD

growth rate (“CAGR”) of 20% from RMB139.3 billion to RMB1,549.0 billion, and (ii) the total life insurance premium in the PRC increased by a CAGR of 25% from RMB87.2 billion to RMB1,016.0 billion, which indicates that the growth of the life insurance industry is faster than the insurance industry as a whole. The Directors consider that the life insurance industry in the PRC is still in its early stages of development, and with the wealth brought along by the economic reforms and the high savings rate in the PRC, the life insurance industry in the PRC is growing and believe that the entering into of the Investment Agreement and the establishment of the JV Company represent an opportunity for the Group to diversify its business and enhance the Shareholders’ value.

The terms of the Investment Agreement were arrived at after arm’s length negotiation between the JV Parties, the Organising Team and the Management Team. The Board considers that the terms of the Investment Agreement are on normal commercial terms, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATION

As the applicable percentage ratios under the GEM Listing Rules in respect of the establishment of the JV Company exceeds 25% but less than 100%, the entering into of the Investment Agreement constitutes a major transaction of the Company under the GEM Listing Rules and is therefore subject to the notification, announcement and Shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules.

### SGM

The SGM will be held at 10:30 a.m. on Monday, 10 March 2014 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 appropriate, to approve among other things, the establishment of the JV Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholders or any of their respective associates had any material interests in the establishment of the JV Company. As such, no Shareholders would be required under the GEM Listing Rules to abstain from voting at the SGM in respect of the resolution relating to the establishment of the JV Company.

A notice of convening the SGM, the form of proxy and the reply slip for the SGM have been issued by the Company on 23 January 2014. 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.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Board considers that the terms of the Investment Agreement are on normal commercial terms, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends 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

As at the close of business on 31 December 2013, 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 RMB184.7 million, comprising secured bank loans of approximately RMB161.4 million (of which approximately RMB111.4 million were guaranteed), unsecured and unguaranteed bank loans of approximately RMB5.1 million, a guaranteed finance lease payables of approximately RMB0.2 million and unsecured and unguaranteed other loans from an associate and third parties of approximately RMB0.8 million and RMB17.2 million respectively.

At the close of business on 31 December 2013, the Group's secured bank loans of approximately of RMB161.4 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, a subsidiary of the Company and a subsidiary of a substantial shareholder 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 2013, the contingent liability of the Group is the contingency as disclosed in Note 38 to the consolidated financial statements of the Company for the year ended 31 December 2012. 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 RMB37.6 million) in which approximately HK\$47.7 million (equivalent to RMB37.5 million) relating to a claim for gain on disposal of long term investment recognised during the year ended 31 December 2004. On 25 February 2013, the IRD issued a notice to the subsidiary informing that the case has been forwarded to the Appeals Section of the IRD for further processing. 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, the Group will have a cash outflow of approximately HK\$47.7 million (equivalent to approximately RMB37.5 million).

In addition, the Group had contingent liabilities in the sum of approximately RMB200 million in respect of guarantee for banking facilities granted to an associate of the Group.

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 2013, 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 business of manufacturing and sale of electronic fire equipment, being dealer recruitment, selling terminal establishment and dealer coverage expansion will be continued to solidify market share. The Group will also focus on building its brand recognition and upgrading its sales force and management by provision of continuous trainings. In order to meet the international demand, The Group will continue to provide financial and technical supports for its operations in the North America, which will concentrate on producing fire alarm products that can meet the commonly recognised international standards. The Group's continued efforts on offering product innovation will add fresh impetus to the enhancement of its result performance. 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, including 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, travel and leisure business mainly within the Badaling Great Wall Scenic Area located in Yanqing County, Beijing, the RPC, and new tourist attractions located at Tianzi Mountain, Nanyue District, Hengyang City, Hunan Province, the PRC.

<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

The total capital commitment of the Company in relation to the establishment of the JV Company is RMB200,000,000.

The capital contribution will be made by the Company in two stages. The First Capital Contribution of RMB1,000,000 will be made within 5 Working Days from the effective date of the Investment Agreement, while the Second Capital Contribution of RMB199,000,000 will be made by the Company within 10 Working Days after receipt of written notice from the Organising Team that preliminary works for the establishment of



the JV Company have been accomplished in accordance with the request by the CIRC. It is expected that the capital contribution to be made by the Company will be funded by the Group's internal resources.

Upon the completion of the establishment of the JV Company, the Company will own 20% of the equity interest in the JV Company and the JV Company will be treated as an associate of the Company. As such, the JV Company will be equity accounted for in the financial statements of the Group and its financial results will not be consolidated into the financial statements of the Group. Upon the completion of the establishment of the JV Company, the Group's total assets and liabilities will remain unchanged and the working capital of the Group will decrease by RMB200,000,000, being the capital contribution to be made by the Company. The Directors are of the view that the insurance industry in the PRC is growing, the establishment of the JV Company will allow the Group to share profits from the operation of the JV Company.

## 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	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			
<b>Director</b>							
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. Zhang Yongli	Beneficial owner and beneficiary of trust	205,414,000	13,200,000	218,614,000	29.34%	2.72%	18.45%
Mr. Chen Zongbing	Beneficial owner	-	16,209,000	16,209,000	-	3.34%	1.37%

Name	Capacity	Number of ordinary shares			Total	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					
Supervisor								
Mr. Chen Shuxin	Beneficial owner	-	15,480,000	15,480,000	-	3.19%	1.31%	
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	Note	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. 北京北大青島軟件系統有限公司 Beida Asset Management Co., Ltd. <sup>#</sup>	(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. <sup>#</sup> ("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 <sup>#</sup> ("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. <sup>#</sup> ("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	(d)	Through a controlled corporation	205,414,000	29.34%	17.34%
8. Dynamic Win Assets Limited	(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%

Name of shareholder	Note	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
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 <sup>#</sup>		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 a director of SZ Jade Bird and 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. Mr. Zheng Zhong is also a director of SZ Jade Bird. Mr. Zhang Yongli is the deputy general manager and chief financial officer of Beida Jade Bird.

<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, 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 2012, 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 claims 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 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 2012 (being the date to which the latest published audited financial statements of the Group were made up).

**7. SERVICE CONTRACTS**

Mr. Zhang Yongli has entered into a service contract with the Company for a term commencing 28 June 2013 until conclusion date of 2014 annual general meeting of the Company which will be convened in 2015. Each of the other 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 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).

## 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 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;
- (b) the guarantee executed by the Company, China Development Bank Co. Ltd. and Bank of Beijing Co. Ltd. dated 31 January 2013 to secure the obligations of 長沙雅湖建設投資有限公司 (Changsha Songya Lake Construction Investment Co., Ltd.<sup>#</sup>) (“**Songya Lake Construction**”), an associated company of the Company of which 46.6% of its registered capital is owned by 傳奇旅遊投資有限公司 (Chuanqi Tourism Investment Co., Ltd.<sup>#</sup>) (“**Chuanqi Tourism**”), a direct non-wholly owned subsidiary of the Company, under the facility agreement entered into between Songya Lake Construction as the borrower and China Development Bank Co. Ltd. and Bank of Beijing Co. Ltd. as lenders for the provision of a term loan facility to Songya Lake Construction in the aggregate amount of RMB986 million, further details of which are set out in the announcement of the Company dated 31 January 2013;
- (c) the shareholders agreement dated 25 April 2013 entered into between Chuanqi Tourism and 北京市八達嶺旅遊總公司 (Beijing Badaling Tourism Corporation<sup>#</sup>) (“**Badaling Tourism**”), in relation to the formation of a joint venture company in the PRC for the purpose of development of travel and leisure business mainly within the Badaling Great Wall Scenic Area located at Yanqing County, Beijing, the PRC. Such joint venture company was owned as to 70% by Chuanqi Tourism upon establishment. The registered capital of such joint venture company was RMB50 million which was contributed as to 35 million by Chuanqi Tourism in proportion to its equity interests in such joint venture company, further details of which are set out in the announcement of the Company dated 25 April 2013;
- (d) the entrusted loan agreement dated 9 May 2013 entered into between 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>) (“**Jade Bird Fire Alarm**”) as the lender, 映瑞光電科技(上海)有限公司 (Enraytek Optoelectronics Technology (Shanghai) Co., Ltd.) (“**Enraytek**”) as the borrower and 中國農業銀行股份有限公司上海南匯支行 (Shanghai Nanhui Branch of Agricultural Bank of China<sup>#</sup>) as the lending agent, in relation to the provision of the loan in the amount of RMB29,500,000 to Enraytek, further details of which are set out in the announcement of the Company dated 9 May 2013;

- (e) the cooperation framework agreement dated 24 June 2013 (“**Cooperative Framework Agreement**”) entered into between 北京八達嶺傳奇旅遊發展有限公司 (Beijing Badaling Chuanqi Tourism Development Company Limited<sup>#</sup>) (“**Badaling Chuanqi**”), an indirect non-wholly owned subsidiary of the Company, and the 延慶縣八達嶺鎮人民政府 (the People’s Government of the Badaling Town of Yanqing County<sup>#</sup>) (“**Badaling Government**”) in relation to the entrusted operation and management of the Chadao Ancient City, located in Yanqing County, Beijing, the PRC by the Badaling Government, 延慶縣八達嶺鎮岔道村村民委員會 (the Villagers’ Committee of Chadao Village Badaling Town, Yanqing County<sup>#</sup>), 北京市延慶縣八達嶺鎮岔道村經濟合作社 (Beijing Yanqing County Badaling Town Chadao Village Economic Cooperatives<sup>#</sup>) and the villagers of the Chadao Village, further details of which are set out in the announcement of the Company dated 24 June 2013;
- (f) the supplemental agreement to the Cooperative Framework Agreement dated 2 September 2013 entered into between Badaling Chuanqi and the Badaling Government for the purpose of extending the term of the Cooperation Framework Agreement for another 50 working days, i.e. 11 November 2013, further details of which are set out in the announcement of the Company dated 2 September 2013;
- (g) the additional supplemental agreement to the Cooperative Framework Agreement dated 11 November 2013 entered into between Badaling Chuanqi and the Badaling Government for the purpose of further extending the term of the Cooperative Framework Agreement up to and inclusive of 31 May 2014, further details of which are set out in the announcement of the Company dated 11 November 2013;
- (h) the cooperation framework agreement dated 19 November 2013 (“**Tianzi Mountain Cooperation Framework Agreement**”) entered into between Chuanqi Tourism and 衡陽市南岳區人民政府 (the People’s Government of the Nanyue District of Hengyang City<sup>#</sup>) (“**Nanyue Government**”) in relation to the development and construction of the new tourist attractions located at Tianzi Mountain, Nanyue District, Hengyang City, Hunan Province, the PRC with a tentative name of 天子山火文化主題公園 (Tianzi Mountain Fire Cultural Theme Park<sup>#</sup>) to be invested by Chuanqi Tourism, further details of which are set out in the announcement of the Company dated 19 November 2013;
- (i) the equity transfer agreement dated 6 December 2013 entered into between Jade Bird Fire Alarm, a direct non-wholly owned subsidiary of the Company, as the vendor, and Mr. Yang Bo (楊波) and Ms. Sun Yanli (孫艷麗) as the purchasers, in relation to the disposal of the 51% equity interest in 西安青鳥環宇消防設備有限公司 (Xian Jade Bird Universal Fire Alarm Device Company Limited<sup>#</sup>) at the consideration of RMB1,020,000, further details of which are set out in the announcement of the Company dated 6 December 2013;
- (j) the supplemental agreement to the Tianzi Mountain Cooperation Framework Agreement dated 27 January 2014 entered into between Chuanqi Tourism and the Nanyue Government for the purpose of extending the term of the Tianzi Mountain Cooperation Framework Agreement for another 100 working days,



i.e. up to and inclusive of 26 June 2014, further details of which are set out in the announcement of the Company dated 27 January 2014; and

- (k) the Investment Agreement.

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

## 9. 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 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 Unit 7605, 76th Floor, The Center, 99 Queen's 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 濰坊北大青鳥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 and including the date of the SGM:

- (a) the articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed “Material contracts” in this appendix;
- (c) the circulars issued by the Company pursuant to the requirements set out in Chapter 19 and/or 20 which have been issued since 31 December 2012, the date of the latest published audited accounts;
- (d) the annual reports of the Company for the years ended 31 December 2011 and 2012; and
- (e) this circular.