

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 licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



北京北大青鳥環宇科技股份有限公司
BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 08095)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION,
(2) PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

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



Karl Thomson Financial Advisory Limited

A notice convening the special general meeting of the Company to be held at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC on Tuesday, 12 January 2016 at 10:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular. Reply slip and the form of proxy for use at the special general meeting of the Company are also enclosed with this circular.

Whether or not you are able to attend the special general meeting of the Company, 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 special general meeting of the Company or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the special general meeting of the Company if you so wish.

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

19 November 2015

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.

TABLE OF CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Letter from the Independent Board Committee	17
Letter from the Independent Financial Advisor	18
Appendix – General Information	35
Notice of SGM	SGM-1

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Beida High Tech”	北京北大高科技產業投資有限公司 (Beijing Beida High Technology Investment Co., Ltd. [#]), a limited liability company established in the PRC and an indirectly non wholly-owned subsidiary of Beida Jade Bird as at the Latest Practicable Date
“Beida Jade Bird”	北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited [#]), a limited liability company established in the PRC and a substantial Shareholder as at the Latest Practicable Date
“Beijing Shengxin Kaiyuan”	北京盛信開元投資管理有限公司 (Beijing Shengxin Kaiyuan Investment Management Co., Ltd. [#]), a limited liability company established in the PRC
“Beijing Shengxin Kaiyuan Transaction”	the acquisition of 40% equity interest in Beijing Shengxin Kaiyuan from Jade Bird Software by the Company pursuant to the equity interest transfer agreement dated 5 November 2014 and entered into between the Company and Jade Bird Software, details of which are set out in the Company’s announcement dated 5 November 2014
“Beijing Shengxin Runcheng”	北京盛信潤誠投資管理有限公司 (Beijing Shengxin Runcheng Investment Management Co., Ltd. [#]), a limited liability company established in the PRC
“Beijing Shengxin Runcheng Transaction”	the acquisition of 40% equity interest in Beijing Shengxin Runcheng from Jade Bird Software by the Company pursuant to the equity interest transfer agreement dated 5 November 2014 and entered into between the Company and Jade Bird Software, details of which are set out in the Company’s announcement dated 5 November 2014
“Board”	the board of Directors

DEFINITIONS

“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)”	director(s) of the Company
“Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 10 August 2015 and entered into between the Company and Shanghai Xuanbao in relation to the Ningbo Xuanbao Acquisition
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	Company and its subsidiaries
“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
“Haikou Jade Bird”	海口青鳥遠望科技發展有限公司 (Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd.#), a limited liability company established in the PRC and is 46% indirectly owned by Jade Bird Software
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors (namely Mr. Shao Jiulin, Mr. Li Juncai, Mr. Lin Yan and Mr. Li Chonghua)

DEFINITIONS

“Independent Financial Adviser” or “Karl Thomson”	Karl Thomson Financial Advisory Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Equity Interest Transfer Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than those who are required by the GEM Listing Rules to abstain from voting on the resolution approving the Equity Interest Transfer Agreement and the transactions contemplated thereunder
“Independent Third Party”	the third party which is independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Jade Bird Software”	北京北大青島軟件系統有限公司 (Beijing Beida Jade Bird Software System Co., Ltd. [#]), a limited liability company established in the PRC and the holding company of Beida Jade Bird and Haikou Jade Bird
“Latest Practicable Date”	13 November 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Ningbo Hanyu”	寧波瀚宇投資諮詢有限公司 (Ningbo Hanyu Investment Consultancy Co., Ltd. [#]), a limited liability company established in the PRC
“Ningbo Jade Bird VC”	寧波青島創業投資有限公司 (Ningbo Jade Bird Venture Capital Investment Co., Ltd. [#]), a limited liability company established in the PRC
“Ningbo Liyuantai”	寧波利元泰創業投資管理有限公司 (Ningbo Liyuantai Venture Capital Investment Management Co., Ltd. [#]), a limited liability company established in the PRC
“Ningbo Xuanbao”	寧波軒寶賽林投資管理有限公司 (Ningbo Xuanbao Sailin Investment Management Co., Ltd. [#]), a limited liability company established in the PRC

DEFINITIONS

“Ningbo Xuanbao Acquisition”	the transfer of the entire equity interest in Ningbo Xuanbao from Shanghai Xuanbao to the Company pursuant to the Equity Interest Transfer Agreement
“Ningbo Zhengyuan”	寧波青鳥正元投資管理有限公司 (Ningbo Jade Bird Zhengyuan Investment Management Co., Ltd.#), a limited liability company established in the PRC
“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Previous CT Transactions”	collectively, (i) the acquisition of 45% equity interest in Ningbo Zhenyuan from Beida High Tech, details of which are set out in the Company’s announcement dated 24 October 2014; (ii) the Beijing Shengxin Runcheng Transaction; (iii) the Beijing Shenxin Kaiyuan Transaction; and (iv) the Xinzhongrui Transaction
“Previous Ningbo Jade Bird VC Transactions”	collectively, (i) the acquisition of the entire equity interest in Ningbo Hanyu (which then owned 5% equity interest in Ningbo Jade Bird VC) by the Company from 北京盛世新天影視廣告有限公司 (Beijing Shengshi Xintian Video-film Advertisement Co., Ltd.#); (ii) the acquisition of the entire equity interest in Ningbo Liyuntai (which then owned 25% equity interest in Ningbo Jade Bird VC) by the Company from 上海博投眾人眾環保科技有限公司 (Shanghai Botou Zhongrenzhong Environmental Science and Technology Co., Ltd.#); and (iii) the acquisition of 35% equity interest and 45% equity interest held by 上海博投眾人眾環保科技有限公司 (Shanghai Botou Zhongrenzhong Environmental Science and Technology Co., Ltd.#) and Beida High Tech, respectively, in Ningbo Zhengyuan (which then owned 1% equity interest in Ningbo Jade Bird VC), details of which are disclosed in the announcement of the Company dated 24 October 2014
“Promoters Shares”	the promoters shares of RMB0.1 each in the issued share capital of the Company
“RMB”	renminbi, the lawful currency of the PRC

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 Tuesday, 12 January 2016 at Conference Room A, Block B, 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 (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder; and (ii) the proposed amendment to Articles of Association
“Share Transfer Agreement”	the share transfer agreement entered into between Shenzhen Jade Bird and Haikou Jade Bird on 2 November 2015 in relation to the transfer of 85,000,000 Promoters Shares
“Shareholder(s)”	shareholder(s) of the Company
“Shenzhen Jade Bird”	深圳市北大青鳥科技有限公司 (Shenzhen Beida Jade Bird Technology Co., Ltd. [#]), a limited liability company established in the PRC, a Shareholder and a subsidiary of Beida Jade Bird as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinzhongrui Transaction”	the acquisition of 20% equity interest in Xinzhongrui VC from Shenzhen Jade Bird by a wholly-owned subsidiary of the Company pursuant to the equity interest transfer agreement dated 13 February 2015 and entered into between a wholly-owned subsidiary of the Company and Shenzhen Jade Bird (as supplemented and amended by the supplemental agreement thereto dated 28 May 2015), details of which are set out in the Company’s announcement dated 13 February 2015 and the Company’s circular dated 11 June 2015
“Xinzhongrui VC”	北京信中瑞創業投資有限公司 (Beijing Xinzhongrui Venture Capital Co., Ltd. [#]), a limited liability company established in the PRC
“%”	per cent

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

LETTER FROM THE BOARD



北京北大青鳥環宇科技股份有限公司
BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 08095)

Executive Directors:

Mr. Zhang Wanzhong
Ms. Zheng Zhong
Mr. Ip Wing Wai

Non-executive Director:

Mr. Ni Jinlei
Ms. Xue Li
Mr. Zhao Xuedong

Independent non-executive Directors:

Mr. Shao Jiulin
Mr. Li Juncai
Mr. Lin Yan
Mr. Li Chonghua

Registered office:

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

Principal Place of Business

in the PRC:

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

Principal Place of Business

in Hong Kong:

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

19 November 2015

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
AND
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION**

INTRODUCTION

As set out in the announcement of the Company dated 10 August 2015, the Company and Shanghai Xuanbao entered into the Equity Interest Transfer Agreement, pursuant to which the Company has conditionally agreed to acquire the entire equity interest in Ningbo Xuanbao at a consideration of RMB23,400,000 in cash together with capital contribution commitment of RMB54,600,000, subject to and upon the terms of the Equity Interest Transfer Agreement.

LETTER FROM THE BOARD

As set out in the announcement of the Company dated 2 November 2015, the Board proposes to amend the Articles of Association in order to reflect the change in shareholding structure of the Company resulting from the Share Transfer Agreement.

The purpose of this circular is to provide you with information regarding (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder; (ii) the proposed amendment to the Articles of Association; and (iii) the notice of the SGM.

EQUITY INTEREST TRANSFER AGREEMENT

A summary of the principal terms of the Equity Interest Transfer Agreement is set out below:

Date

10 August 2015

Parties

- (1) the Company; and
- (2) Shanghai Xuanbao.

Shanghai Xuanbao is a wholly-owned subsidiary of Beida High Tech, which is a subsidiary of Beida Jade Bird, a substantial Shareholder who had (direct and indirect) interest in 200,000,000 Promoters Shares (representing approximately 16.88% of the Company's total issued share capital) as at the Latest Practicable Date. Shanghai Xuanbao is therefore an associate of Beida Jade Bird and a connected person of the Company under the GEM Listing Rules. Shanghai Xuanbao is principally engaged in investment management, corporate management and asset management.

Nature of transaction

Shanghai Xuanbao has conditionally agreed to sell, and the Company has conditionally agreed to acquire, the entire equity interest in Ningbo Xuanbao.

Consideration

The total consideration payable by the Company for the Ningbo Xuanbao Acquisition is RMB78,000,000, comprising cash consideration of RMB23,400,000 payable to Shanghai Xuanbao; and taking up Shanghai Xuanbao's obligation to make capital contribution of RMB54,600,000 to Ningbo Xuanbao. The Company has agreed to pay to Shanghai Xuanbao (or as it may direct) RMB11,700,000 in cash as deposit within 10 working days after the despatch of the circular of the Company relating to the Equity Interest Transfer Agreement in accordance with the applicable requirements of the GEM Listing Rules, and the remaining RMB11,700,000 in cash within 30 working days from the date of completion of the Ningbo Xuanbao Acquisition.

LETTER FROM THE BOARD

The total capital commitment to be made to Ningbo Xuanbao by Shanghai Xuanbao shall be RMB78,000,000 and as at the date of the Equity Interest Transfer Agreement, Shanghai Xuanbao contributed the capital of RMB23,400,000 to Ningbo Xuanbao and Shanghai Xuanbao was therefore required to make the remaining capital contribution of RMB54,600,000 to Ningbo Xuanbao in accordance with the articles of association of Ningbo Xuanbao. Pursuant to the Equity Interest Transfer Agreement, as part of the consideration for the Ningbo Xuanbao Acquisition, the Company agrees to (and it is a term of the Equity Interest Transfer Agreement that the Company shall) make the remaining capital contribution of RMB54,600,000 to Ningbo Xuanbao, which is due to be made by 1 December 2034. Following completion of the Ningbo Xuanbao Acquisition, the Company shall make the remaining capital contribution of RMB54,600,000 to Ningbo Xuanbao by 1 December 2034 and it is currently expected that such capital contribution will be made in cash by the Company to Ningbo Xuanbao. Therefore Ningbo Xuanbao will receive the capital contribution of RMB54,600,000 to be made by the Company.

The consideration of the Ningbo Xuanbao Acquisition was determined after arm's length negotiations between the Company and Shanghai Xuanbao by reference to the capital contribution made (i.e. RMB23,400,000, being the original cost of acquisition of Ningbo Xuanbao by Shanghai Xuanbao) and the outstanding capital contribution required to be made (i.e. RMB54,600,000) by Shanghai Xuanbao to Ningbo Xuanbao in accordance with the articles of association of Ningbo Xuanbao as at the date of the Equity Interest Transfer Agreement.

Conditions precedent to the completion of the Ningbo Xuanbao Acquisition

Completion of the Ningbo Xuanbao Acquisition will be conditional upon and subject to:

- (i) the Independent Shareholders' approval of the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including but not limited to the Ningbo Xuanbao Acquisition); and
- (ii) the completion of registration of the Ningbo Xuanbao Acquisition with the industrial and commercial administration bureau of the PRC.

If any of the above conditions precedent have not been fulfilled at or before 5:00 p.m. on 31 July 2016, the Equity Interest Transfer Agreement (save and except for the clauses regarding refund of deposit, confidentiality and other general provisions) shall cease and determine, and Shanghai Xuanbao shall refund the deposit in the amount of RMB11,700,000 to the Company within 10 working days, and thereafter neither the Company nor Shanghai Xuanbao shall make any claim against each other under the Equity Interest Transfer Agreement, save for clauses relating to refund of deposit, confidentiality and other general provisions and any antecedent breaches of the terms of the Equity Interest Transfer Agreement.

Completion of the Ningbo Xuanbao Acquisition will be considered as having taken place on the date of fulfillment of all conditions precedent under the Equity Interest Transfer Agreement.

LETTER FROM THE BOARD

Taking into consideration that the remaining capital contribution of RMB54,600,000 was required to be made by the Company to Ningbo Xuanbao by 1 December 2034 and it is not required to make such capital contribution in full for completion of the registration of the Ningbo Xuanbao Acquisition to take place (which will not violate the relevant laws and regulations in the PRC), the completion of registration of the Ningbo Xuanbao Acquisition with the industrial and commercial administration bureau of the PRC is expected to take place within two months from the date of SGM. Such registration of the Ningbo Xuanbao Acquisition had not yet commenced as at the Latest Practicable Date.

In addition, taking into account that (i) the Company has agreed to make the remaining capital contribution of RMB54,600,000 to Ningbo Xuanbao pursuant to the Equity Interest Transfer Agreement; (ii) it is not required to make such capital contribution in full for the completion of registration of the Ningbo Xuanbao Acquisition to take place; and (iii) the Company will make the remaining capital contribution for Ningbo Xuanbao's funding need as and when necessary and appropriate (in any event, by 1 December 2034), the completion of Ningbo Xuanbao Acquisition is not conditional upon the fully paid-up of the capital contribution of Ningbo Xuanbao. The Company considers that this arrangement is in the best interest of the Company as the Company will not be required to pay RMB54,600,000 for completion of the Ningbo Xuanbao Acquisition.

As at the Latest Practicable Date, none of the above conditions precedent had been fulfilled.

Information on Ningbo Xuanbao

Ningbo Xuanbao is a company established in the PRC on 20 March 2015 with a registered capital of RMB78,000,000 and is principally engaged in investment management and consultation, corporate management and consultation, corporate image planning and public relations services. As at the date of the Equity Interest Transfer Agreement, Ningbo Xuanbao held 39% equity interests in Ningbo Jade Bird VC, which is a limited liability company established in the PRC on 24 April 2014 and principally engaged in venture capital investment in companies with innovative and high technology in emerging industries, such as culture, healthcare, new energy and environmental protection. Ningbo Jade Bird VC has a registered capital of RMB200,000,000 and RMB60,000,000 of capital contribution had been made as at the Latest Practicable Date. The remaining capital contribution of RMB140,000,000 to Ningbo Jade Bird VC shall be made by 31 December 2016, which shall be subject to any further amendments approved by its shareholders in the future.

As advised by Shanghai Xuanbao, (i) immediately prior to 14 May 2015, Shanghai Xuanbao directly held 39% equity interest of Ningbo Jade Bird VC, Shanghai Xuanbao shall then make capital contribution of RMB78,000,000 (i.e. RMB200,000,000 (registered capital of Ningbo Jade Bird VC) x 39%) to Ningbo Jade Bird VC and Shanghai Xuanbao had made only capital contribution of RMB23,400,000 to Ningbo Jade Bird VC; (ii) Ningbo Xuanbao was established on 20 March 2015 with a registered capital of RMB78,000,000 (i.e. Shanghai Xuanbao has to pay up the registered capital of RMB78,000,000) and Shanghai Xuanbao paid up the capital of RMB23,400,000 to Ningbo Xuanbao by way of injecting its investment in 39% equity interest in Ningbo Jade Bird VC to Ningbo Xuanbao (i.e. transferring 39% equity interest in Ningbo Jade Bird VC directly held by Shanghai Xuanbao to Ningbo Xuanbao) and such capital injection will not violate the relevant laws and regulations in the PRC; and (iii) completion of registration of transfer of 39% equity interest in Ningbo Jade Bird VC from Shanghai Xuanbao to Ningbo Xuanbao took place on 14 May 2015 and accordingly, Ningbo Xuanbao thereafter directly held 39% equity interest of Ningbo Jade Bird VC.

LETTER FROM THE BOARD

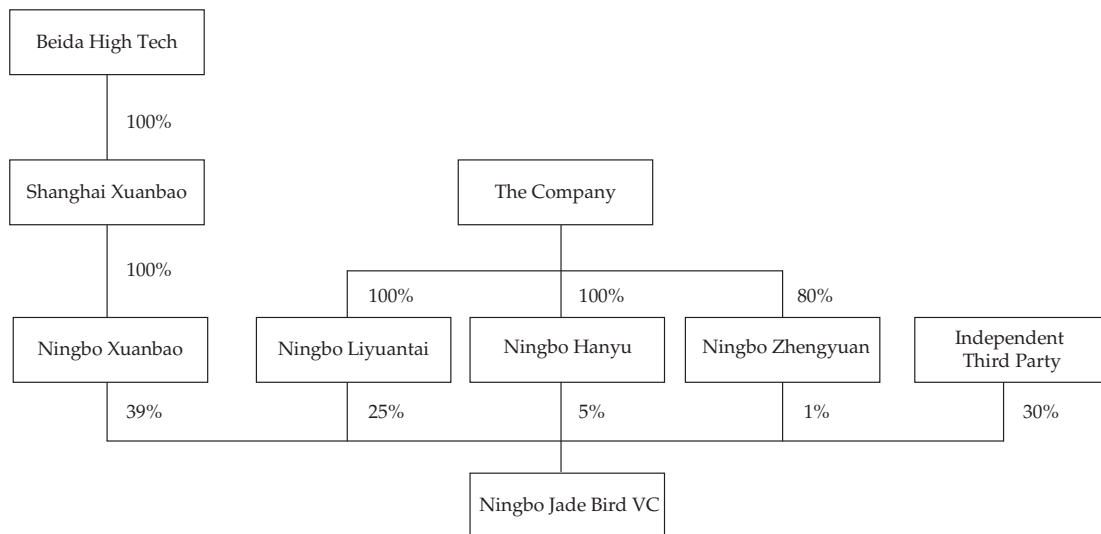
Shanghai Xuanbao could pay up capital contribution to Ningbo Xuanbao either by way of settling in cash or transferring assets, the value of which shall be equivalent to the monetary value of the capital contribution. As Shanghai Xuanbao had made capital contribution of RMB23,400,000 only (instead of RMB78,000,000 in full) to Ningbo Jade Bird VC in respect of its 39% interest therein, when Shanghai Xuanbao injected its 39% equity interest in Ningbo Jade Bird VC to Ningbo Xuanbao for discharging part of its obligation to pay up the capital of Ningbo Xuanbao, the value of such injected assets only worth RMB23,400,000 (instead of RMB78,000,000) (i.e. Shanghai Xuanbao is considered as paying RMB23,400,000 to Ningbo Xuanbao only) and Shanghai Xuanbao was still required to pay the remaining capital of RMB54,600,000 to Ningbo Xuanbao.

Given that Shanghai Xuanbao, being the former shareholder of Ningbo Jade Bird VC, had already made capital contribution of RMB23,400,000 to Ningbo Jade Bird VC, Ningbo Xuanbao as the new shareholder of Ningbo Jade Bird VC is only required to pay the remaining capital of RMB54,600,000 to Ningbo Jade Bird VC in respect of its 39% interest therein.

Before completion of the Ningbo Xuanbao Acquisition, the Company owns 31% indirect interest in Ningbo Jade Bird VC. Upon completion of the Ningbo Xuanbao Acquisition, (i) the Company will own additional 39% indirect interest in Ningbo Jade Bird VC through Ningbo Xuanbao and therefore the Company will own 70% indirect interest in Ningbo Jade Bird VC; (ii) each of Ningbo Xuanbao and Ningbo Jade Bird VC will become a subsidiary of the Company; and (iii) the financial results of each of Ningbo Xuanbao and Ningbo Jade Bird VC will be consolidated with the results of the Group.

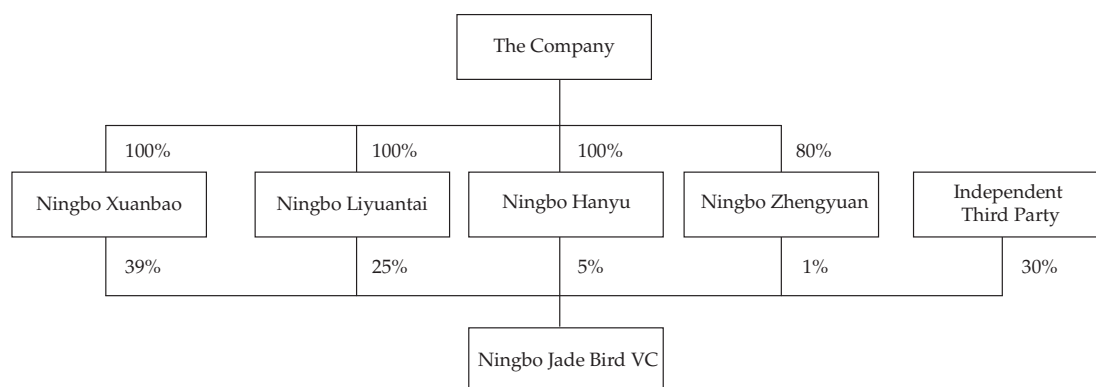
The following diagrams set out the shareholding structures of Ningbo Xuanbao immediately before and after completion of the Ningbo Xuanbao Acquisition:

(i) *immediately before completion of the Ningbo Xuanbao Acquisition*



LETTER FROM THE BOARD

(ii) *immediately after completion of the Ningbo Xuanbao Acquisition*



The total assets value and the net assets value of Ningbo Xuanbao as at 30 June 2015 were approximately RMB23,400,000, having taken into account of 39% equity interest of Ningbo Jade Bird VC. As Ningbo Xuanbao was established in 2015, there was no financial information for the last two financial years of Ningbo Xuanbao. The net profit/loss before and after taxation and extraordinary items of Ningbo Xuanbao for the period from 20 March 2015 (date of establishment of Ningbo Xuanbao) to 30 June 2015 is RMB0.

The total assets value and the net assets value of Ningbo Jade Bird VC as at 30 June 2015 were approximately RMB57,091,000. The net loss before and after taxation and extraordinary items of Ningbo Jade Bird VC for the period from 24 April 2014 to 31 December 2014 was approximately RMB425,000. The net loss before and after taxation and extraordinary items of Ningbo Jade Bird VC for the six months ended 30 June 2015 was approximately RMB2,484,000. As Ningbo Jade Bird VC was established in 2014, there was no financial information for the year ended 31 December 2013 of Ningbo Jade Bird VC.

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

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

The Directors consider that it is beneficial for the Company to invest in Ningbo Jade Bird VC, which will further develop the Company's existing investment business portfolio, in particular, expanding its investment in emerging industries, and also broadening its source of income.

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

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Ningbo Xuanbao Acquisition, either standalone or aggregated with the Previous Ningbo Jade Bird VC Transactions, is/are more than 5% but less than 25%, the Ningbo Xuanbao Acquisition constitutes discloseable transaction for the Company and is subject to the notification and announcement requirements of Chapter 19 of the GEM Listing Rules.

In addition, Shanghai Xuanbao is a wholly-owned subsidiary of Beida High Tech, which is a subsidiary of Beida Jade Bird, a substantial Shareholder who had (direct and indirect) interest in 200,000,000 Promoters Shares (representing approximately 16.88% of the Company's total issued share capital) as at the Latest Practicable Date. Shanghai Xuanbao is therefore an associate of Beida Jade Bird and a connected person of the Company under the GEM Listing Rules. Accordingly, the Ningbo Xuanbao Acquisition constitutes connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

On 24 October 2014, the Company entered into the equity interest transfer agreements with various parties, one of which was Beida High Tech, a subsidiary of Beida Jade Bird as at the Latest Practicable Date, under the Previous Ningbo Jade Bird VC Transactions to acquire an aggregate of indirect 31% equity interest in Ningbo Jade Bird VC at the total consideration of RMB61,600,000, details of which are set out in the announcement of the Company dated 24 October 2014.

In addition, on 5 November 2014, the Company entered into two equity interest transfer agreements with Jade Bird Software, and pursuant to such agreements, the Company agreed to acquire 40% equity interest in Beijing Shengxin Runcheng and 40% equity interest in Beijing Shengxin Kaiyuan held by Jade Bird Software, at an aggregate consideration of RMB2,400,000, details of which are set out in the announcement of the Company dated 5 November 2014.

Furthermore, on 13 February 2015, a direct wholly owned subsidiary of the Company and Shenzhen Jade Bird, a subsidiary of Beida Jade Bird as at the Latest Practicable Date, entered into the equity interest transfer agreement, pursuant to which a direct wholly owned subsidiary of the Company conditionally agreed to acquire 20% equity interest in Xinzhongrui VC at a consideration of RMB50,000,000, details of which are set out in the announcement of the Company dated 13 February 2015 and the circular of the Company dated 11 June 2015.

As each of Shanghai Xuanbao, Beida High Tech and Shenzhen Jade Bird is a subsidiary of Beida Jade Bird as at the Latest Practicable Date, Jade Bird Software is holding company of Beida Jade Bird, and Beida Jade Bird is a substantial Shareholder who had (direct and indirect) interest in 200,000,000 Promoters Shares as at the Latest Practicable Date, each of Shanghai Xuanbao, Beida High Tech, Shenzhen Jade Bird and Jade Bird Software is an associate of Beida Jade Bird and a connected person of the Company under the GEM Listing Rules. As such, the acquisition of 45% equity interest in Ningbo Zhengyuan from Beida High Tech under the Previous Ningbo Jade Bird VC Transactions, the Beijing Shengxin Runcheng Transaction, the Beijing Shengxin Kaiyuan Transaction and the Xinzhongrui Transaction (i.e. the Previous CT Transactions) are aggregated with the Ningbo Xuanbao Acquisition.

LETTER FROM THE BOARD

As the applicable percentage ratios in respect of the Ningbo Xuanbao Acquisition either, standalone or aggregated with the Previous CT Transactions, is/are more than 5% and the consideration for the Ningbo Xuanbao Acquisition is more than HK\$10,000,000, the Ningbo Xuanbao Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules although the Company has complied with shareholders' approval requirement in respect of the Previous CT Transactions.

As Shanghai Xuanbao is a subsidiary of Beida Jade Bird, (i) Mr. Zhang Wanzhong, who is the vice president and supervisor of Beida Jade Bird; (ii) Ms. Zheng Zhong, who is the vice president of Beida Jade Bird; (iii) Ms. Xue Li, who is the vice president of Beida Jade Bird; and (iv) Mr. Zhao Xuedong, who is the general manager of an indirect subsidiary of Beida Jade Bird, are deemed to have a material interest in the Equity Interest Transfer Agreement. Accordingly, the above Directors had abstained from voting on the Board resolution approving the connected transaction in respect of the Ningbo Xuanbao Acquisition in accordance with the articles of association of the Company and the GEM Listing Rules. Save as disclosed above, none of the other Directors had a material interest in the Equity Interest Transfer Agreement and the transactions contemplated thereunder and as such, none of the other Directors was required to abstain from voting on the relevant resolution of the Board.

PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION

The Board has been notified by Shenzhen Jade Bird, a Shareholder, that Shenzhen Jade Bird and Haikou Jade Bird entered into the Share Transfer Agreement on 2 November 2015, pursuant to which Shenzhen Jade Bird agreed to transfer its entire 85,000,000 Promoters Shares, representing approximately 7.17% of the total issued share capital of the Company as at the Latest Practicable Date, to Haikou Jade Bird. As a result of the share transfer, Shenzhen Jade Bird will cease to be a Shareholder and Haikou Jade Bird will become a Shareholder. The share transfer is expected to be completed in about 2 months from the date of the SGM.

Immediately before the share transfer, Beida Jade Bird is a substantial Shareholder as it holds (i) 85,000,000 Promoters Shares (representing approximately 7.17% of the total issued share capital of the Company as at the Latest Practicable Date) through Shenzhen Jade Bird, which is 90% owned by Beida Jade Bird; and (ii) 115,000,000 Promoters Shares (representing 9.71% of the total issued share capital of the Company as at the Latest Practicable Date) directly.

Immediately after the share transfer, Beida Jade Bird will only be interested in 115,000,000 Promoters Shares (representing approximately 9.71% of the total issued share capital of the Company as at the Latest Practicable Date) and will cease to be a substantial Shareholder.

LETTER FROM THE BOARD

The Board proposed to amend the Articles of Association in order to reflect the change in shareholding structure of the Company resulting from the Share Transfer Agreement, by inserting the following paragraph at the end of the notes in Article 17 of the Articles of Association:

“7. On 2 November 2015, Shenzhen Beida Jade Bird Sci-Tech Co., Ltd. agreed to transfer 85,000,000 promoters shares held by it to Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd., representing 12.143% of the issuable ordinary shares of the Company upon its incorporation.”

The Company confirms that the proposed amendment to Articles of Association will not affect the existing businesses and operations of the Group and the Directors confirm that the proposed amendment to the Articles of Association is in compliance with the GEM Listing Rules. Based on the confirmation made by the Company’s PRC legal adviser, the proposed amendment to the Articles of Association complies with the applicable PRC laws, rules and regulations.

Shareholders are advised that the Articles of Association are available in English and Chinese. The English translation of the Articles of Association is for reference only. In case of any inconsistency, the Chinese version shall prevail.

The proposed amendment to the Articles of Association is subject to the approval by the Shareholders at the SGM by way of special resolution.

SGM

The SGM will be held at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC on Tuesday, 12 January 2016 at 10:30 a.m. for the Independent Shareholders to consider and, if appropriate, to approve (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder; and (ii) the proposed amendment to the Articles of Association.

The notice convening the SGM is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed with this circular.

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

LETTER FROM THE BOARD

Each of (i) Beida Jade Bird, being the indirect holding company of Shanghai Xuanbao and thus a close associate of Shanghai Xuanbao, and also a substantial Shareholder who had direct interest in 115,000,000 Promoters Shares (representing approximately 9.71% of the Company's total issued share capital) and indirect interest in 85,000,000 Promoters Shares through its subsidiary, Shenzhen Jade Bird, as at the Latest Practicable Date; and (ii) Shenzhen Jade Bird, will be required to abstain from voting at the SGM on the resolution regarding the Equity Interest Transfer Agreement and the transactions contemplated thereunder. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder will be required to abstain from voting at the SGM in respect of the resolutions regarding (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder; and (ii) the amendment to the Articles of Association.

VOTING AT THE SGM

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

RECOMMENDATIONS

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

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 17 of this circular and the letter of advice from the Independent Financial Adviser set out on pages 18 to 34 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Equity Interest Transfer Agreement and the transactions contemplated thereunder, and the principal factors considered by the Independent Financial Adviser in arriving at its recommendations.

LETTER FROM THE BOARD

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

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

The Directors consider that the proposed amendment to the Articles of Association is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution regarding the amendment to the Articles of Association.

ADDITIONAL INFORMATION

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

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



北京北大青鳥環宇科技股份有限公司
BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 08095)

19 November 2015

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular of the Company dated 19 November 2015 (“**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

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

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

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

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

Yours faithfully
For and on behalf of the
Independent Board Committee

Shao Jiulin
*Independent
Non-executive
Director*

Li Juncai
*Independent
Non-executive
Director*

Lin Yan
*Independent
Non-executive
Director*

Li Chonghua
*Independent
Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

The following is the text of the letter of advice from Karl Thomson to the Independent Board Committee and the Independent Shareholders in respect of the discloseable and connected transaction in relation to the acquisition of the entire equity interest in Ningbo Xuanbao for inclusion in this circular.



Karl Thomson Financial Advisory Limited

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

19 November 2015

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

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF ENTIRE EQUITY INTEREST IN NINGBO XUANBAO

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Ningbo Xuanbao Acquisition contemplated under the Equity Interest Transfer Agreement related thereto are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Details of the Ningbo Xuanbao Acquisition are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 19 November 2015 (the “**Circular**”), of which this letter forms a part. Capitalized terms used in this letter shall have the same meaning as those defined in the Circular unless the context otherwise requires.

On 10 August 2015, the Company and Shanghai Xuanbao entered into the Equity Interest Transfer Agreement pursuant to which, the Company has conditionally agreed to acquire and Shanghai Xuanbao has conditionally agreed to sell the entire equity interest in Ningbo Xuanbao at the consideration of RMB23,400,000 in cash together with capital contribution commitment of RMB54,600,000 (the “**Consideration**”).

Given that Shanghai Xuanbao is a wholly-owned subsidiary of Beida High Tech, which is a subsidiary of Beida Jade Bird. Beida Jade Bird is a substantial Shareholder given its 16.88% direct and indirect interest in the total issued share capital of the Company as at the Latest Practicable Date; accordingly, Shanghai Xuanbao is an associate of Beida Jade Bird and thus a connected person of the Company under the GEM Listing Rules. The Ningbo Xuanbao Acquisition constitutes a connected transaction for the Company under

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Chapter 20 of the GEM Listing Rules which is subject to the reporting, announcement and Independent Shareholders' approval requirements.

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

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

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

I. Background information

(i) Information on the Group

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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

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

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

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

(ii) Information on Ningbo Xuanbao

Ningbo Xuanbao was incorporated in the PRC on 20 March 2015 with a registered capital of RMB78,000,000 with approved business scope of investment management and consultation, corporate management and consultation, corporate image planning and public relations services. As at the Latest Practicable Date, Ningbo Xuanbao is a wholly-owned subsidiary of Shanghai Xuanbao and it owned 39% equity interest in Ningbo Jade Bird VC, a limited liability company established in the PRC principally engaged in venture capital investment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

As mentioned in the Letter from the Board, immediately prior to 14 May 2015, Shanghai Xuanbao directly held 39% equity interest of Ningbo Jade Bird VC and had made capital contribution of RMB23,400,000 to Ningbo Jade Bird VC. After the establishment of Ningbo Xuanbao, Shanghai Xuanbao paid up the capital of RMB23,400,000 to Ningbo Xuanbao by way of injecting its investment in 39% equity interest in Ningbo Jade Bird VC to Ningbo Xuanbao (i.e. transferring 39% equity interest in Ningbo Jade Bird VC directly held by Shanghai Xuanbao to Ningbo Xuanbao). Upon the completion of registration of transfer of 39% equity interest in Ningbo Jade Bird VC from Shanghai Xuanbao to Ningbo Xuanbao took place on 14 May 2015, Ningbo Xuanbao thereafter directly held 39% equity interest of Ningbo Jade Bird VC.

Pursuant to the Equity Interest Transfer Agreement, the remaining capital contribution of RMB54,600,000 was required to be made by the Company to Ningbo Xuanbao by 1 December 2034. As advised by the Company, it is currently expected that such capital contribution will be made in cash by the Company to Ningbo Xuanbao. When the Company has settled the remaining capital contribution in full to Ningbo Xuanbao, the registered capital of RMB78,000,000 of Ningbo Xuanbao will be fully paid up. However, the completion of the registration of the Ningbo Xuanbao Acquisition is not subject to such capital contribution is made in full. As advised by the Company, such arrangement will not violate the relevant laws and regulations in the PRC.

(iii) Information on Ningbo Jade Bird VC

Ningbo Jade Bird VC is a venture capital investment company incorporated in the PRC on 24 April 2014 with a registered capital of RMB200,000,000. It principally invested in companies with innovative and high technology in emerging industries, such as culture, healthcare, new energy and environmental protection. The amount of fund invested to the areas indicated above should not be less than 60% of the registered capital.

As at the Latest Practicable Date and prior to the completion of the Ningbo Xuanbao Acquisition, Ningbo Jade Bird VC is owned as to 31% by the Company, 39% by Ningbo Xuanbao and 30% by Ningbo Venture Capital Guiding Fund Management Co., Ltd.* (寧波創業投資引導基金管理有限公司) (the “**Guiding Fund Management Company**”). Upon completion of the Ningbo Xuanbao Acquisition, Ningbo Jade Bird VC will be owned as to 70% by the Company and 30% by the Guiding Fund Management Company.

The companies to be invested by Ningbo Jade Bird VC shall be the early stage enterprises registered in the Ningbo Government as a non-listed company of which main activities include research and development of new technological products and services while meeting the following criteria: (i) the number of employees shall be less than 300; (ii) technical employees with high education shall be more than 30% of the total employed; (iii) research and development staffs should be more than 10% of total employed; (iv) annual revenue should be less than RMB30,000,000 or net assets under RMB20,000,000; and (v) expenditure on research and development should be more than 5% of the operating revenue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

According to the information provided by the management of the Company, Ningbo Jade Bird VC is currently investing into two private enterprises whose principal businesses are related to the emerging industries. The basic information of two private enterprises are summarized as follows:

	Investment Capital (RMB)	Investment Period	Principal Businesses
(a) Company A	39,500,000	Since December 2014	Light-Emitting Diode (“LED”) and related industrial chain design, development, and manufacturing
(b) Company B	6,500,000	Since March 2015	Provision of bonus points rewarding systems and online loyalty solution to the merchants

Company A

Company A was founded in August 2010, it is a high-tech Chinese-Foreign Joint Venture engaged in LED and related industrial chain design, development, and manufacturing. The major products of Company A include high brightness LED TV backlight and LED lighting covering all aspects from sapphire substrate materials and graphics, epitaxial wafers, chip to the packaging and testing. It provides technology service solutions of optic design, optical simulation, the light strip manufacturing, light guide plate design and manufacturing, and the overall optical module design and manufacturing. In December 2014, Ningbo Jade Bird VC invested RMB39,500,000 in Company A and, it holds 8.79% equity of Company A as at the Latest Practicable Date.

For the financial year ended 31 December 2014, revenue of Company A was approximately RMB1.5 billion, representing an increase of 66.31% comparing with that of the previous year. The net profit was approximately RMB30,050,000. Since the establishment, Company A has received RMB179,600,000 from Shanghai County Government as subsidy for its project.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Company B

Company B is a company incorporated in the PRC on 13 March 2015 and was set up by an experienced management team of its Hong Kong parent company. The Hong Kong parent company is principally engaged in IT development business. Company B aims to copy the successful business model of the Hong Kong parent company to develop a “bonus points plus O2O” service platform for merchants in Mainland China. In March 2015, Ningbo Jade Bird VC invested RMB6,500,000 in Company B. Ningbo Jade Bird VC currently owns 25% equity interest of the Company B.

The service platform will provide clients with bonus points rewarding systems and online loyalty strategies, in order to motivate their customers to engage in loyalty schemes, and to increase their revenue. The Hong Kong parent company has already developed an integrated solution and has gathered an immense amount of both online purchasing data and offline retailer resources, allowing Company B to build a solid foundation for its Online to Offline services. Since Company B was established in April 2014 and it is still in the early stage of development, the company does not generate any income or profit. As of the Latest Practicable Date, Company B has not declared any dividend since the date of the investment and therefore it has not generated any revenue to Ningbo Jade Bird VC.

As Ningbo Jade Bird VC was established in 2014, there was no financial information for the year ended 31 December 2013 of Ningbo Jade Bird VC. Table below summarized the unaudited financial information of Ningbo Jade Bird VC for the financial year ended 31 December 2014:

	For the year ended 31 December 2014 RMB'000	
Revenue	–	
Net loss before tax	425	
Net loss after tax	425	
	As of 31 December 2014 RMB'000	As of 30 June 2015 RMB'000
Total asset	59,580	57,091
Total liabilities	5.2	–
Net asset	59,575	57,091
Cash balance	20,080	11,091

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Given that Ningbo Jade Bird VC is a venture capital investment company, the only revenue to be generated by Ningbo Jade Bird VC will be either the dividends declared by the invested companies or gains realized on disposal of the invested companies. At the early stage of development, the invested companies have not declared any dividend and have not been disposed by Ningbo Jade Bird VC. Therefore, Ningbo Jade Bird VC did not generate any revenue and recorded net loss for the financial year ended 31 December 2014. As advised by the management of the Company, the net loss is mainly attributable to the management fee, administrative cost and bank charge incurred during the period. The Board is not expecting much of return until there is disposal or public listing of the invested companies.

As at 30 June 2015, the unaudited total assets of Ningbo Jade Bird VC was approximately RMB57,091,000, which comprised of cash and bank balances of approximately RMB11,091,000 and financial assets available for sale of approximately RMB46,000,000. Based on the financial information as shown above, we note that the registered capital of Ningbo Jade Bird VC of RMB200,000,000 has not been fully paid up by its shareholders. As at the Latest Practicable Date, the registered capital amounted to RMB60,000,000 has been paid up by its shareholders of which RMB23,400,000 was contributed through Ningbo Xuanbao by Shanghai Xuanbao. The remaining capital contribution of RMB140,000,000 to Ningbo Jade Bird VC shall be made by 31 December 2016, which shall be subject to any further amendments approved by its shareholders in the future. When Ningbo Xuanbao has received the remaining registered capital of RMB54,600,000 from the Company, Ningbo Xuanbao will further invest the capital into Ningbo Jade Bird VC as long term equity investment and thus the registered capital attributable to 39% equity interest of Ningbo Jade Bird VC will be fully paid up by Ningbo Xuanbao.

(iv) the Previous Ningbo Jade Bird VC Transactions

On 24 October 2014, the Company entered into the equity interest transfer agreements with various parties, one of which was Beida High Tech, a subsidiary of Beida Jade Bird, under the Previous Ningbo Jade Bird VC Transactions to acquire an aggregate of indirect 31% equity interest in Ningbo Jade Bird VC, details of which are set out in the announcement of the Company dated 24 October 2014.

II. Principal terms of the Equity Interest Transfer Agreement

Equity Interest Transfer Agreement

Date	:	10 August 2015
Parties	:	Purchaser: the Company Vendor: Shanghai Xuanbao
Assets to be acquired	:	100% equity interest in Ningbo Xuanbao

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Consideration : The consideration payable by the Company in respect of the Ningbo Xuanbao Acquisition is RMB23,400,000 in cash and will be settled in the following manners:

- (i) RMB11,700,000 in cash as deposit within 10 working days after the after the despatch of the circular of the Company relating to the Equity Interest Transfer Agreement in accordance with the applicable requirements of the GEM Listing Rules; and
- (ii) the remaining RMB11,700,000 in cash within 30 working days from the date of completion of the Ningbo Xuanbao Acquisition.

In addition, the Company has agreed to assure the obligation of Shanghai Xuanbao to make the capital contribution of RMB54,600,000 to Ningbo Xuanbao, which is due to be made by 1 December 2034.

Conditions precedent to the completion of the Ningbo Xuanbao Acquisition : Completion of the Ningbo Xuanbao Acquisition will be conditional upon and subject to:

- (i) the Independent Shareholders' approval of the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including but not limited to the Ningbo Xuanbao Acquisition); and
- (ii) the completion of registration of the Ningbo Xuanbao Acquisition with the industrial and commercial administration bureau of the PRC;

If any of the above conditions precedent have not been fulfilled at or before 5:00 p.m. on 31 July 2016, the Equity Interest Transfer Agreement (save and except for the clauses regarding refund of deposit, confidentiality and other general provisions) shall cease and determine, and Shanghai Xuanbao shall refund the deposit in the amount of RMB11,700,000 to the Company within 10 working days, and thereafter neither the Company nor Shanghai Xuanbao shall make any claim against each other under the Equity Interest Transfer Agreement, save for clauses relating to refund of deposit, confidentiality and other general provisions and any antecedent breaches of the terms of the Equity Interest Transfer Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Consideration

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

(a) Basis of the determination of the Consideration

As set out in the Letter from the Board, the consideration payable by the Company for the Ningbo Xuanbao Acquisition is RMB78,000,000 comprising cash consideration of RMB23,400,000 to Shanghai Xuanbao (the “**Cash Consideration**”); and taking up Shanghai Xuanbao’s obligation to make capital contribution of RMB54,600,000 to Ningbo Xuanbao. The Cash Consideration was determined after arm’s length negotiations between the Company and Shanghai Xuanbao with reference to the capital contribution made by Shanghai Xuanbao to Ningbo Xuanbao as at the date of the Equity Interest Transfer Agreement. Pursuant to the Equity Interest Transfer Agreement, as part of the consideration for the Ningbo Xuanbao Acquisition, the Company agrees to (and it is a term of the Equity Interest Transfer Agreement that the Company shall) make the remaining capital contribution of RMB54,600,000 to Ningbo Xuanbao, which is due to be made by 1 December 2034.

With reference to the latest management accounts of Ningbo Xuanbao, we note that the long term equity investment of Ningbo Xuanbao is amounted to RMB23,400,000. As mentioned above, 39% equity investment in Ningbo Jade Bird VC was originally held by Shanghai Xuanbao and it had made capital contribution of RMB23,400,000 to Ningbo Jade Bird VC. Ningbo Xuanbao was established on 20 March 2015 with a registered capital of RMB78,000,000 (i.e. Shanghai Xuanbao has to pay up the registered capital of RMB78,000,000) and Shanghai Xuanbao paid up the capital of RMB23,400,000 to Ningbo Xuanbao by way of injecting its investment in 39% equity interest in Ningbo Jade Bird VC to Ningbo Xuanbao (i.e. transferring 39% equity interest in Ningbo Jade Bird VC directly held by Shanghai Xuanbao to Ningbo Xuanbao). Upon transferring 39% equity interest in Ningbo Jade Bird VC from Shanghai Xuanbao to Ningbo Xuanbao, Ningbo Xuanbao held the 39% equity interest in Ningbo Jade Bird VC as long term equity investment. In this regard, we are of the view that the registered capital contributed by Shanghai Xuanbao to Ningbo Jade Bird VC is a relevant basis in determining the Consideration. When Ningbo Xuanbao has received the remaining registered capital of RMB54,600,000 from the Company, Ningbo Xuanbao will further invest the same into Ningbo Jade Bird VC as long term equity investment and thus the registered capital attributable to 39% equity interest of Ningbo Jade Bird VC will be fully paid up by Ningbo Xuanbao.

In accessing the fairness of the consideration of an acquisition, we will compare the consideration with the book value of the equity interest to be acquired. In our opinion, the remaining capital contribution of RMB54,600,000 payable by the Company after the completion of the Ningbo Xuanbao Acquisition shall be regarded as the future investment to Ningbo Xuanbao and it was not reflected in the book value of Ningbo Xuanbao as at the date of the Equity Interest Transfer Agreement. As such, we have assumed the NAV will be increased by RMB54,600,000 upon the remaining capital contribution is fully paid up in order to access a fair comparison.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Since Ningbo Xuanbao owned 39% equity interest in Ningbo Jade Bird VC as at the Latest Practicable Date and the net asset value of Ningbo Xuanbao as at 30 June 2015 has taken into account the 39% equity interest in Ningbo Jade Bird VC, we have made a comparison on the Consideration and the net asset value attributable to 39% equity interest Ningbo Jade Bird VC. As at 30 June 2015, the net asset value of Ningbo Jade Bird VC was approximately RMB57,091,000. Accordingly, the net asset value attributable to 39% equity interest of Ningbo Jade Bird VC is approximately RMB22,265,490 (the “**Attributable NAV**”). By adding RMB54,600,000 on the Attributable NAV, the implied Attributable NAV is amounted to RMB76,865,490. Based on the comparison, the Consideration represents a slight premium of approximately 1.48% to the implied Attributable NAV.

Apart from the above, we have also compared the basis of determining the consideration of the Ningbo Xuanbao Acquisition with that of the Previous Ningbo Jade Bird VC Transactions. The Cash Consideration for the Ningbo Xuanbao Acquisition is RMB23,400,000 (representing 39% equity interest in Ningbo Jade Bird VC) which is based on the amount of capital paid up by Shanghai Xuanbao to Ningbo Xuanbao by way of equity transfer whilst the cash consideration for the Previous Ningbo Jade Bird VC Transactions of RMB26,600,000 (representing 31% equity interest in Ningbo Jade Bird VC) was also determined based on the respective capital contributed by the initial vendors to the target companies, through which the Company acquired the aggregate control of 31% equity interest in Ningbo Jade Bird VC. For the capital contribution, both of them are assuming the obligation of initial vendors to make a capital contribution to Ningbo Jade Bird VC in respect to the equity interest subject to the transactions.

For the remaining capital contribution of RMB54,600,000 to be made by the Company to Ningbo Xuanbao by 1 December 2034, as mentioned in the Letter from the Board, the completion of Ningbo Xuanbao Acquisition is not conditional upon the fully paid-up of the capital contribution of Ningbo Xuanbao. Since the remaining capital contribution to Ningbo Jade Bird VC shall be made by 31 December 2016, which shall be subject to any further amendments approved by its shareholders in the future, the Company will make the remaining capital contribution to Ningbo Xuanbao as and when necessary and appropriate. Given the fact that the funding needs of Ningbo Xuanbao will probably arise from the investments engaged by Ningbo Jade Bird VC, when Ningbo Jade Bird VC needs capital for investment, the Company will inject the capital to Ningbo Xuanbao and the capital will further invest to Ningbo Jade Bird VC. Under such arrangement, it can assure the fund is solely utilized for the business investments of Ningbo Jade Bird VC. On such basis, we concur with the Company that the payment arrangement is in the interest of the Company.

Given the fact that (i) the Consideration is simply based on the capital paid up and to be made by Shanghai Xuanbao in Ningbo Xuanbao without considering additional premium; (ii) the Consideration is comparable to implied Attributable NAV representing the asset value subject to the Ningbo Xuanbao Acquisition; (iii) the basis of determination of the Consideration of the Ningbo Xuanbao Acquisition is consistent with that of the Previous Ningbo Jade Bird VC Transactions; and (iv) the remaining capital contribution of RMB54,600,000 to be received by Ningbo Xuanbao from the Company will be further invested into Ningbo Jade Bird VC for its business investment, we are of the view that the basis of determination of the Consideration is in the interest of the Company and the Shareholder as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

(b) Market comparable

In order to further assess the fairness and reasonableness of the Consideration, we have also attempted to apply two commonly adopted valuation approaches, namely, the price to earnings ratio (the “**PER**”) and the price to book ratio (the “**PBR**”) in comparing the Ningbo Xuanbao Acquisition with other comparable companies listed on the Stock Exchange which are principally engaged in similar business as Ningbo Jade Bird VC.

Given the fact that Ningbo Jade Bird VC has incurred loss in the previous financial period, the PER analysis is not applicable in our assessment. For the PBR analysis, we have tried to identify comparable companies in the public domain (the “**Market Comparables**”) under the following criteria: (i) the size of market capitalization of no more than HK\$200,000,000 and (ii) the investment portfolio are also similar to that of Ningbo Jade Bird VC which includes the investment in new energy and environmental protection and IT business. Since the scale and principal activities of the Market Comparables is similar to that of Ningbo Jade Bird VC, the PBR of the Market Comparables act as the market benchmark in accessing the fairness of the consideration. In the course of assessment, only one Market Comparable is identified under such criteria. Under such circumstance, we are of the opinion that such result is insufficient for our comparison. In order to achieve more market data for our analysis, we have also considered those Market Comparables with the size of the market capitalization of no more than HK\$500,000,000. To the best of our knowledge, we have identified the following exhaustive list of five comparable companies listed on the Stock Exchange for our analysis:

Company	Stock code	Market Capitalization <i>(note1)</i> <i>(HK\$)</i>	Net asset value <i>(note2)</i> <i>(HK\$)</i>	P/B or Implied P/B <i>(times)</i>
China New Economy Fund Ltd.	0080	210,160,800	452,491,412	0.46
China Investment Fund Co. Ltd.	0612	462,010,000	137,408,075	3.36
Shanghai International Shanghai Growth Investment Ltd.	0770	138,918,000	99,432,325	1.40
Mastermind Capital Ltd.	0905	413,832,992	156,171,000	2.64

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Company	Stock code	Market Capitalization (note1) (HK\$)	Net asset value (note2) (HK\$)	P/B or Implied P/B (times)
China Investment and Finance Group Ltd.	1226	205,937,890	552,174,000	0.37
Minimum				0.37
Maximum				3.36
Average				1.646
The Consideration				1.02

Source: www.hkex.com.hk

Notes:

1. Based on the latest closing price as published by 10 August 2015, being the date of the Equity Interest Transfer Agreement.
2. Based on the latest net asset value as published in the Stock Exchange website.

In calculating the implied PBR, we have taken into account the Cash Consideration payable by the Company to Shanghai Xuanbao for the Ningbo Xuanbao Acquisition of RMB23,400,000 and the remaining capital contribution of RMB54,600,000 to be made by the Company to Ningbo Xuanbao. As mentioned above, since the capital contribution of RMB54,600,000 is to be made by Company to Ningbo Xuanbao after the completion of the Ningbo Xuanbao Acquisition and the future capital contribution will be only reflected by the future book value of Ningbo Jade Bird VC upon the capital contribution is made. In this regard, we have assumed the implied Attributable NAV will be increased by RMB54,600,000 upon the remaining capital contribution is fully paid up in our PBR analysis. The implied PBR ratio of the Consideration is calculated to be approximately 1.02 times by dividing the Consideration of RMB78,000,000 by implied Attributable NAV of approximately RMB76,865,490.

From the table above, we noted that the PBRs of the Market Comparables ranged from approximately 0.37 times to 3.36 times, with an average of approximately 1.646 times. The implied PBR ratio as represented by the Consideration of approximately 1.02 time falls within the range of the PBRs of the Market Comparables and is lower than the average PBR of the Market Comparables. Given that the Consideration with the implied PBR of the Ningbo Xuanbao Acquisition falls below the average PBR of the Market Comparables, it indicates that the Consideration is at a comparatively lower price than that as represented by the average PBRs of Market Comparables. In this connection, we are of the view that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Having considered that (i) the Consideration has been determined after arm's length negotiations between the Company and Shanghai Xuanbao; (ii) the Consideration is simply determined based on the capital paid up and to be made by Shanghai Xuanbao to Ningbo Xuanbao without contribution made premium; (iii) the Consideration is comparable to implied Attributable NAV representing the asset value subject to the Ningbo Xuanbao Acquisition; (iv) the implied PBR ratio as represented by the Consideration is lower than average PBR of the Market Comparables; and (v) the remaining capital contribution of RMB54,600,000 to be received by Ningbo Xuanbao from the Company will be further invested into Ningbo Jade Bird VC for its business investment, we are of the view that the Consideration to be fair and reasonable.

III. Reasons for and benefits of the Ningbo Xuanbao Acquisition

(a) *Reasons for the Ningbo Xuanbao Acquisition*

Given that Ningbo Jade Bird VC is a venture capital investment company and its investment also covers the companies with innovative and high technology in emerging industries, such as culture, health care, new energy and environmental protection, the Ningbo Xuanbao Acquisition is in line with the Group's investment strategy. Furthermore, the controlling shareholder of Ningbo Jade Bird VC, Guiding Fund Management Company, is a state-owned enterprise established by Ningbo Municipal Government providing management services for a venture capital guiding fund.

By acquiring additional equity interest in Ningbo Jade Bird VC, the Group could further expand its existing investment business portfolio with the view of broadening its source of income as well as diversifying the business risk.

(b) *Internal control policy adopted by Ningbo Jade Bird VC*

Ningbo Zhengyuan, being the subsidiary of the Company, is the fund and asset manager of Ningbo Jade Bird VC. As advised by the management of the Company, Ningbo Jade Bird VC has entered into a venture capital fund management agreement (the "**Fund Management Agreement**") with Ningbo Zhengyuan, pursuant to which Ningbo Zhengyuan agreed to act as the fund and asset manager of Ningbo Jade Bird VC to manage investment portfolio of Ningbo Jade Bird VC.

According to the Fund Management Agreement, the investments made by Ningbo Jade Bird VC will be subject to a series of investment criteria and internal policies in order to ensure investment flows to the high value areas, and to avoid high risk project. The investment decision making procedures are summarized as below:

A project team is set up to search for investment opportunities. After preliminary investigation and screening process, the investment manager of the project team will identify opportunistic investment projects and will further report to the general manager. After initial approval from the general manager, the proposal will then be passed on to professional legal and financial advisors for legal

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

and financial due diligence. Due diligence will focus on investigating the investment project's market landscape, industry environment and the enterprise's operations, financial situation, legal compliance, to further comprehend the outlook of the investment project.

Based on the result of the due diligence, the investment manager will conduct a feasibility analysis on the investment project. The analysis will mainly include the valuation on the return and risk assessment of the project. Based on the result of analysis, the investment manager will complete the investment proposal for the project. The investment proposal will then submit to the investment decision committee for further approval.

Apart from the above, the Guiding Fund Management Company, being the controlling shareholder of Ningbo Jade Bird VC is authorized to nominate a supervisor to monitor the investment decision committee. The supervisor will be responsible to attend the meetings of investment decision committee and to review the due diligence documents and the compliance issue regarding the investment projects. The supervisor has right to vote on the resolution in approving the investment project proposed by the investment manager of Ningbo Zhengyuan. Prior to each meeting, the investment decision committee is required to submit the proposed resolutions together with all necessary information regarding the investment project to the Guiding Fund Management Company in advance. The Guiding Fund Management Company has the right to decline the investment project provided that the investment cannot comply with the relevant laws and regulation, internal control policies or the Ningbo Jade Bird VC's articles of association.

In light of the above decision making policies, the investment portfolio and the operation of Ningbo Jade Bird VC will be under the monitor by Ningbo Zhengyuan as well as Guiding Fund Management Company and thus the risk exposure of the investments will be minimized.

(c) Overview of the LED lighting industry

LED lighting represents a green light source with longer lifetime and lower carbon emission rate comparing with the traditional lighting source. The LEDs can be applied in various areas in commercial display, display panels on consumer and industrial electronics, LCD backlighting and general lighting application. While LEDs are generally more expensive, they are friendly to the environment and human health.

To accelerate the transformation of the PRC's economic development, improve lighting efficiency and reduce greenhouse gas emissions, the PRC government has promulgated "The 12th Five-Year Development Plan for Semiconductor Lighting Technology" on 3 July 2012 to encourages the development of LED lighting and expansion in the industry market size. Furthermore, the plan also outlined a roadmap for phasing out incandescent lamps, the import and sale of incandescent lamps for general lighting are to be phased out according to their power starting from October 2012. In consequence, most of the incandescent lamps for general lighting will be banned from import and sale by the end of 2016.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

According to the research conducted by China State Lighting Industry Alliance, the market output of the Semiconductor lighting industry for financial year 2014 is approximately RMB350 billion, representing an annual growth rate of 36% when comparing with the previous year. In particular, the market output for the LED lighting products is approximately 1.6 billion units. Since the policy of developing energy-saving environmental protection industries continues to serve as the major impetus propelling the development of LED lighting market, the market output value for the LED lighting industry is expected to reach RMB500 billion in 2015.

Rapid urbanization within the country suggests a growing demand for LED lighting, and the increasing range for LED lighting products reflects in the growth of applications for LED lights in the market. It is expected that more manufacturers will offer LED products which are increasingly favoured by consumers, spurring the growth of the LED market. Under the support from the Chinese government's environmental conservation laws, the LED lighting industry is fronting a huge opportunity. Having considered the optimistic future prospect of the LED lighting and the positive financial performance of Company A, we are of the view that the return from the investment in Company A will be promising.

(d) Overview of the online to offline (O2O) market in the PRC

Online retail market has showed stunning growth in the PRC over recent years, and became the world's largest market in 2013. Online shopping, being one of the major segments of e-commerce market, of which the turnover has increased by 48.7% in 2014 compared with 2013 and occupied 10% of the total retail sales of consumer goods in the PRC. It has become the most powerful engine for the development of e-commerce in China.

Along with the rapid expansion of mobile Internet population in the PRC, service industry is in urgent need of integrating online with offline, which provides a favorable context and broad prospects for O2O business.

O2O is now a popular business model that combines the online shopping and the front line transactions service. The business adopting O2O model usually offer internet users with information, services, booking discount who in return will become the customers of the particular offline business partners. Using mobile devices to access to O2O platform is more favorable amongst the users nowadays in the PRC. Many enterprises and commercial platforms provide online payment services to facilitate O2O transactions among the O2O users in order to attract more users to engage in accessing through mobile devices. According to gross merchandise volume ("GMV") announced by major O2O companies, the GMV for O2O service reached RMB408 billion in 2014, implying approximately 1.3% of the total services GDP of the PRC. The market believes that the O2O services sector has just begun and is at the nascent stage. It is expected that it will take around three to five years for overall penetration.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

O2O platform helps merchants who offer services to their clients in a convenient and efficient manner. we are of the view that the O2O service platform will be able to cover a wide range of customers, taking into account that the penetration of O2O service platform in mainland China is still low, it is expected that the potential development of business is huge. Meanwhile, as the information technology becomes more advanced and has penetrated into the local lifestyle service market, the cost and threshold to enter the market will be lowered and thus the feasibility of the O2O business will be further enhanced. With the support from the experienced team of the Hong Kong parent company, we are of the view that the investment on Company B is favorable to Ningbo Jade Bird VC.

IV. Financial effects of the Ningbo Xuanbao Acquisition on the Group

a) Cashflow

As stated in the Letter from the Board, the consideration for the Ningbo Xuanbao Acquisition of RMB23,400,000 will be settled in two phases, (i) RMB11,700,000 in cash as deposit within 10 working days after the after the despatch of the circular of the Company relating to the Equity Interest Transfer Agreement and (ii) the remaining RMB11,700,000 in cash within 30 working days from the date of completion of the Ningbo Xuanbao Acquisition. According to the 2014 Annual Report, the audited cash and bank balances of the Group amounted to approximately RMB366 million as at 31 December 2014. The Cash Consideration of RMB23,400,000 and the remaining capital contribution of RMB54,600,000 to Ningbo Xuanbao represent approximately 6.4% and 14.9% of its total cash available on hand respectively. In view of such cashflow position of the Group, we are of the view that the payment of the Consideration will not have a significant pressure on the Group's cashflow position.

b) Net Assets

Since the payment of the Consideration is in cash and which will be offset by the investment in Ningbo Jade Bird VC and the fair market value of the 39% equity interest of Ningbo Jade Bird VC to be acquired by the Company through Ningbo Xuanbao is unlikely to fluctuate substantially upon completion, it is expected that the Ningbo Xuanbao Acquisition will not create significant impact to the Group's net asset value.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

RECOMMENDATION

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

- (i) the terms of the Equity Interest Transfer Agreement are on normal commercial terms;
- (ii) the Consideration has been determined with fair and reasonable basis; and
- (iii) the Ningbo Xuanbao Acquisition is in line with the Group's business strategy with the view of diversifying the Group's existing investment business portfolio as well as broadening its source of income; and

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

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

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

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

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

Name	Capacity	Number of ordinary shares of the Company			Approximate Percentage of the Company's total number of issued Promoters 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 Promoters Shares	Interest in H Shares	Total			
Director							
Mr. Zhang Wanzhong	Beneficial Owner and beneficiary of trust (Note 1)	205,414,000	-	205,414,000	29.34%	-	17.34%
Supervisor							
Ms. Zhou Min	Beneficiary of trust	205,414,000	-	205,414,000	29.34%	-	17.34%

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

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

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

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

Long position in the ordinary shares of the Company

Name of Shareholder	Capacity	Interests in Promoters Shares	Approximate Percentage of the Company's total number of issued Promoters Shares	Approximate Percentage of the Company's total issued share capital
Peking University	Interest through controlled corporations (Note 2)	285,000,000	40.71%	24.05%
Beida Asset Management Co., Ltd.	Interest through controlled corporations (Note 2)	285,000,000	40.71%	24.05%
Jade Bird Software	Interest through controlled corporations (Note 2)	285,000,000	40.71%	24.05%
Beida Jade Bird	Beneficial owner and interest through controlled corporations (Note 2 and 3)	200,000,000	28.57%	16.88%
Shenzhen Jade Bird	Beneficial owner (Note 2)	85,000,000	12.14%	7.17%
Beida Microelectronics Investment Limited	Interest through controlled corporations (Note 2)	85,000,000	12.14%	7.17%
Hong Kong Jade Bird South Sea Investment Limited	Interest through controlled corporations (Note 2)	85,000,000	12.14%	7.17%
Sanya Youfu Jidi Construction Service Co., Ltd	Interest through controlled corporations (Note 2)	85,000,000	12.14%	7.17%
Haikou Jade Bird	Beneficial owner (Note 2)	85,000,000	12.14%	7.17%
Grand East (H.K.) Limited	Beneficial owner	110,000,000	15.71%	9.28%
Heng Huat Investments Limited	Interest through controlled corporations (Note 4)	205,414,000	29.34%	17.34%
Dynamic Win Assets Limited	Beneficial owner (Note 4)	205,414,000	29.34%	17.34%
Mongolia Energy Corporation Limited	Interest through controlled corporations (Note 5)	84,586,000	12.08%	7.14%
New View Venture Limited	Beneficial owner (Note 5)	84,586,000	12.08%	7.14%
Asian Technology Investment Co., Ltd.	Beneficial owner	50,000,000	7.14%	4.22%

- Note 2:* Peking University is taken to be interested in 24.05% of the total issued share capital of the Company through the following companies:
- (i) 115 million Promoters Shares (representing approximately 9.71% of the Company's total issued share capital) held by Beida Jade Bird, which is 46% beneficially owned by Jade Bird Software. Jade Bird Software is 48% beneficially owned by Beida Asset Management Co., Ltd., a wholly owned subsidiary of Peking University;
 - (ii) 85 million Promoters Shares (representing approximately 7.17% of the Company's total issued share capital) held by Shenzhen Jade Bird, which is 90% beneficially owned by Beida Jade Bird; and
 - (iii) 85 million Promoters Shares (representing approximately 7.17% of the Company's total issued share capital) in which Haikou Jade Bird is interested. On 2 November 2015, Shenzhen Jade Bird and Haikou Jade Bird entered into the Share Transfer Agreement, pursuant to which Shenzhen Jade Bird agreed to transfer the 85 million Promoters Shares to Haikou Jade Bird. Jade Bird Software owns 100% equity interest in Beida Microelectronics Investment Limited which in turn owns 46% equity interest in Hong Kong Jade Bird South Sea Investment Limited which in turn owns 100% equity interest in Sanya Youfu Jidi Construction Service Co., Ltd which in turn owns 100% equity interest in Haikou Jade Bird.
- Note 3:* The interests of Beida Jade Bird comprise 115 million Promoters Shares held by it and 85 million Promoters Shares held by Shenzhen Jade Bird.
- Note 4:* The Promoters Shares are held by Dynamic Win Assets Limited, which is beneficially wholly-owned by Heng Huat Investments Limited.
- Note 5:* The Promoters Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- Note 6:* Mr. Zhang Wanzhong is the vice president and supervisor of Beida Jade Bird; Ms. Zheng Zhong is a vice president of Beida Jade Bird; Ms. Xue Li is a vice president of Beida Jade Bird; and Mr. Ni Jinlei is a director of Hong Kong Jade Bird South Sea Investment Limited.

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

3. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and the Supervisors has entered into a service contract with the Company for a term of three years commencing on 30 June 2015 and ending on the date of the 2017 annual general meeting of the Company. Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the Supervisors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

4. COMPETING BUSINESS

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

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

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

6. MATERIAL ADVERSE CHANGE

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

7. EXPERT AND CONSENT

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

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

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

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

8. DOCUMENT AVAILABLE FOR INSPECTION

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

- (1) the service contracts of the Directors and the Supervisors as mentioned in the paragraph headed "DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS" above;
- (2) the equity interest transfer agreement dated 24 October 2014 entered into between the Company and 北京盛世新天影視廣告有限公司 (Beijing Shengshi Xintian Video-film Advertisement Co., Ltd.[#]) ("**Beijing Shengshi**") in relation to the acquisition of the entire equity interest in Ningbo Hanyu from Beijing Shengshi;
- (3) the equity interest transfer agreement dated 24 October 2014 entered into between the Company and 上海博投眾人眾環保科技有限公司 (Shanghai Botou Zhongrenzhong Environmental Science and Technology Co., Ltd.[#]) ("**Shanghai Botou**") in relation to the acquisition of the entire equity interest in Ningbo Liyuantai from Shanghai Botou;
- (4) the equity interest transfer agreement dated 24 October 2014 entered into between the Company and Shanghai Botou in relation to the acquisition of 35% equity interest in Ningbo Zhenyuan from Shanghai Botou;
- (5) the equity interest transfer agreement dated 24 October 2014 entered into between the Company and Beida High Tech in relation to the acquisition of 45% equity interest in Ningbo Zhenyuan from Beida High Tech;
- (6) the equity interest transfer agreement dated 5 November 2014 entered into between the Company and Jade Bird Software in relation to the Beijing Shenxin Kaiyuan Transaction;
- (7) the equity interest transfer agreement dated 5 November 2014 entered into between the Company and Jade Bird Software in relation to the Beijing Shenxin Runcheng Transaction;
- (8) the equity interest transfer agreement dated 13 February 2015 entered into between 北京青鳥泰盛投資管理有限公司 (Beijing Jade Bird Taisheng Investment Management Co., Ltd.[#]), a direct wholly-owned subsidiary of the Company, and Shenzhen Jade Bird in relation to the Xinzhongrui Transaction ("**Xinzhongrui Transaction Agreement**");
- (9) the supplemental agreement dated 28 May 2015 supplemental to the Xinzhongrui Transaction Agreement; and
- (10) the Equity Interest Transfer Agreement.

NOTICE OF SGM



北京北大青鳥環宇科技股份有限公司
BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 08095)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (“**SGM**”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (“**Company**”) will be held at 10:30 a.m. on Tuesday, 12 January 2016 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the People’s Republic of China (“**PRC**”), to consider and, if appropriate, pass the following matters as ordinary resolution, or as the case may be, special resolution:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the equity interest transfer agreement dated 10 August 2015 entered into between the Company and 上海軒寶投資管理有限公司 (in English, for identification purpose only, Shanghai Xuanbao Investment Management Co., Ltd.) regarding the acquisition of the entire equity interest of 寧波軒寶賽林投資管理有限公司 (in English, for identification purpose only, Ningbo Xuanbao Sailin Investment Management Co., Ltd.) at a consideration of RMB23,400,000 (together with assumption of obligation to make capital contribution of RMB54,600,000) (“**Equity Interest Transfer Agreement**”) (a copy of the Equity Interest Transfer Agreement is marked “A” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting) be and is hereby approved, confirmed and ratified and the transactions contemplated under the Equity Interest Transfer Agreement be and are hereby approved; and
- (b) any one director (“**Director**”) of the Company be and is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Equity Interest Transfer Agreement and the transactions contemplated thereunder and to agree to such variation, amendments or waiver of matters relating thereto which are not fundamentally different from those provided in the Equity Interest Transfer Agreement as are, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

NOTICE OF SGM

SPECIAL RESOLUTION

2. “THAT

- (a) the amendment to the articles of association of the Company by inserting the following paragraph at the end of the notes in Article 17 of the Company’s articles of association be and is hereby approved:

“7. On 2 November 2015, Shenzhen Beida Jade Bird Sci-Tech Co., Ltd. agreed to transfer 85,000,000 promoters shares held by it to Haikou Jade Bird Yuanwang Sci-Tech Development Co., Ltd., representing 12.143% of the issuable ordinary shares of the Company upon its incorporation.”; and

- (b) any one director of the Company be and is hereby authorized to carry out the related registration and filing procedures in accordance with the applicable laws and regulations of the PRC and Hong Kong and the relevant requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.”

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

Beijing, the PRC, 19 November 2015

Notes:

1. The registers of shareholders of the Company will be closed from Sunday, 13 December 2015 to Tuesday, 12 January 2016 (both days inclusive) during which period no transfer of shares of the Company (“Shares”) will be registered. Any holder of the H Shares and whose name appearing in the Company’s register of holders of H Shares with Hong Kong Registrars Limited at 4:30 p.m. on Friday, 11 December 2015 and have completed the registration process will be entitled to attend the SGM.
2. Holders of H Shares who intend to attend the SGM must complete the reply slip for attending the SGM and return them to the Company’s H share registrar in Hong Kong, Hong Kong Registrars Limited, on or before Wednesday, 23 December 2015.

The address of Hong Kong Registrars Limited is as follows:

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

3. Holders of promoters Shares who intend to attend the SGM must complete the reply slip for attending the SGM and return them to the principal place of business of the Company in Beijing on or before Wednesday, 23 December 2015.

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

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

NOTICE OF SGM

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

As at the date of this notice, Mr. Zhang Wanzhong, Ms. Zheng Zhong and Mr. Ip Wing Wai are executive Directors, Mr. Ni Jinlei, Ms. Xue Li and Mr. Zhao Xuedong are non-executive Directors and Mr. Shao Jiulin, Mr. Li Juncai, Mr. Lin Yan and Mr. Li Chonghua are independent non-executive Directors.