THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

青鸟环宇
JADE BIRD UNIVERSAL

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)

DISPOSAL MANDATE
REGARDING
PROPOSED DISPOSAL OF SHARES OF
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
WHICH CONSTITUTES
POSSIBLE VERY SUBSTANTIAL DISPOSAL

A notice convening an annual general meeting of Beijing Beida Jade Bird Universal Sci-Tech Company Limited to be held at Room 312, Block A, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC on Wednesday, 30 June 2010 at 10:30 a.m. is set out on pages 42 to 46 of this circular. A reply slip and a form of proxy for use at the annual general meeting are also enclosed.

Whether or not you are able to attend the meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon. For holders of H Shares, you are required to return the form of proxy to the Company's H share registrar in Hong Kong, Hong Kong Registrars Limited, at Room 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 the holding of the annual general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

4 May 2010

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a high 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.

CONTENTS

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

"AFS SMIC Share(s)"	243,163,400 ordinary shares of SMIC held by the Group, representing the entire interests of the Group in SMIC as at Latest Practicable Date
"AGM"	annual general meeting
"Appointed Director"	the executive Director who will be appointed by the Board to execute the Proposed Disposal and handle all matters relating to it
"Board"	the board of Directors
"BJBU Development"	Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited, a wholly owned subsidiary of the Company
"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 sino-foreign joint stock limited company incorporated in the PRC with limited liability with its H Shares listed on GEM
"connected persons"	has the meaning ascribed in the GEM Listing Rules
"Director(s)"	director(s) of the Company
"Disposal Mandate"	a mandate proposed by the Directors in order to seek approval from the Shareholders to allow the Directors to dispose of the AFS SMIC Shares during the Mandate Period
"First Announcement"	an announcement of the Company dated 18 January 2010 regarding discloseable transactions in relation to the disposal of 112,943,000 ordinary shares of SMIC on the stock market by the Group during the period from 29 December 2009 to 18 January 2010
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	Rules Governing the Listing of Securities on GEM
"Group"	Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	30 April 2010, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
"Mandate Period"	twelve calendar month period starting from the date the ordinary resolution in relation to the Disposal Mandate is duly passed
"Minimum Disposal Price"	HK$0.590 (equivalent to approximately RMB0.519) per AFS SMIC Share, being the minimum selling price of AFS SMIC Shares to be disposed of under the Disposal Mandate, before any transaction costs
"PRC"	People's Republic of China. For the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan are excluded
"Proposed Disposal"	the proposed disposal of AFS SMIC Shares as described in the Disposal Mandate
"RMB"	Renminbi, the lawful currency of the PRC
"Remaining Group"	the Group excluding its investment in AFS SMIC Shares to be disposed of under the Disposal Mandate
"Second Announcement"	an announcement of the Company dated 26 March 2010 regarding discloseable transaction in relation to further disposal of 50,000,000 ordinary shares of SMIC on the stock market by the Group during the period from 9 March 2010 to 26 March 2010
"Share(s)"	ordinary shares issued by the Company with a nominal value of RMB0.10 each
"Shareholders"	shareholders of the Company

"SMIC"	Semiconductor Manufacturing International Corporation, a company incorporated in the Cayman Islands with limited liability and the ordinary shares of which are listed on the Stock Exchange with stock code 00981
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsequent Disposal"	disposal of 10,000,000 shares of SMIC on the stock market by the Group on 31 March 2010
"Supervisor(s)"	supervisor(s) of the Company
"Third Announcement"	an announcement of the Company dated 16 April 2010 regarding the Disposal Mandate
"US$"	United States dollars
"%"	per cent.

Unless otherwise specified in this circular, translations of US$ into RMB and HK$ into RMB are made, for illustration only, at the rate of US$1 to approximately RMB6.827 and HK$1 to approximately RMB0.88 respectively. No representation is made that any amount in US$ or HK$ could have been or could be converted into RMB at the above rates or any other rates.

青鸟环宇
JADE BIRD UNIVERSAL
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 Wan Zhong
Ms. Xue Li
Mr. Zhang Yong Li

Non-executive Directors:
Mr. Chu Yu Guo *(Chairman)*
Mr. Xu Zhi Xiang
Mr. Liu Yong Jin
Ms. Feng Ping

Independent non-executive Directors:
Professor Nan Xiang Hao
Mr. Cai Chuan Bing
Mr. Lin Yan

Legal address:
3rd Floor
Beida Jade Bird Building
Yanyuan District Area 3
No. 5 Haidian Road
Haidian District
Beijing 100080
the PRC

Principal place of business in the PRC:
3rd Floor, Beida Jade Bird Building
No. 207 Chengfu Road
Haidian District
Beijing 100871
the PRC

Principal place of business in Hong Kong:
Unit 02, 7th Floor
Asia Pacific Centre
8 Wyndham Street
Central
Hong Kong

4 May 2010

To the Shareholders

Dear Sir or Madam,

DISPOSAL MANDATE
REGARDING
PROPOSED DISPOSAL OF SHARES OF
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
WHICH CONSTITUTES
POSSIBLE VERY SUBSTANTIAL DISPOSAL

INTRODUCTION

Reference is made to the First Announcement, the Second Announcement, the Subsequent Disposal and the Third Announcement respectively.

The Disposal Mandate has been approved by the Directors on 16 April 2010.

The purpose of this circular is to provide you with (i) further information relating to the Proposed Disposal and the grant of the Disposal Mandate; and (ii) the notice of AGM which contains an ordinary resolution in relation to the Disposal Mandate.

PROPOSED DISPOSAL

Assets to be disposed of

The Company would like to seek approval from the Shareholders so as to allow the Directors to dispose of the AFS SMIC Shares that are freely tradable on the Stock Exchange during the Mandate Period.

AFS SMIC Shares include 243,163,400 ordinary shares of SMIC, representing the entire remaining interests of the Group in SMIC or approximately 1.08% of the total issued share capital of SMIC as at 16 April 2010, being the latest practicable date for ascertaining information regarding this percentage. Should all the AFS SMIC Shares be disposed of, the Group will cease to have any interests in SMIC. The Group does not have any discussion with any party to dispose of the AFS SMIC Shares up to the Latest Practicable Date.

The Group proposes to delegate the execution of the Proposed Disposal to the Appointed Director. The Appointed Director will be responsible for handling all matters relating to the Proposed Disposal including but not limited to the number of AFS SMIC Shares to be disposed of each time, the disposal price and the disposal time. The Appointed Director will be required to report to the Board on his/her action quarterly. The Group will report on the progress of the Proposed Disposal in its quarterly reports, interim report as well as the annual report. The Group will disclose by way of an announcement after the Disposal Mandate expires or after all AFS SMIC Shares are disposed of, whichever is earlier.

DISPOSAL MANDATE

Details of the Disposal Mandate

If the Group proceeds with the Proposed Disposal, the aggregate of all those AFS SMIC Shares being disposed of may constitute very substantial disposal of the Company pursuant to Rule 19.08 of the GEM Listing Rules. The Proposed Disposal is subject to, among other requirements, Shareholders' approval. In order to execute the Proposed Disposal much efficiently, the Company would like to seek the Disposal Mandate from Shareholders at the following terms:

1. the Group will dispose of the AFS SMIC Shares in the open market through the trading system of the Stock Exchange;

2. the selling price of any AFS SMIC Share to be disposed of will be its market price at relevant times subject to a minimum price of HK$0.590 (equivalent to approximately RMB0.519). Minimum Disposal Price is the simple average of approximately HK$0.682 and approximately HK$0.498. The former is the unaudited net asset value per share of SMIC as at 31 December 2009. The latter is the lowest unit selling price of SMIC shares sold by the Company in the open market of the Stock Exchange up to Latest Practicable Date; and

3. the disposal mandate is for a twelve calendar month period starting from the date the ordinary resolution in relation to the Disposal Mandate is duly passed.

Reason for the Proposed Disposal and the Disposal Mandate

The investment in AFS SMIC Shares is classified as financial assets by the Group. The main purpose of holding the AFS SMIC Shares is to provide the Group with opportunity for return through dividend income and/or fair value gain. As no dividend income has been declared by SMIC since the Group holds the AFS SMIC Shares and the share price of SMIC rebounded drastically in 2009 and the first quarter of 2010, the Directors consider that it should be the right time to fully realise the fair value gain under prevailing market sentiment. The Group always strives for enhancing Shareholders' value through both of its core businesses and various investments. The Proposed Disposal will increase the Group cash flows and allow the Group to maintain a much stronger financial position to conduct its businesses as well as to invest should opportunities arise. Instead of seeking approval from Shareholders each time before disposal, the Disposal Mandate will provide flexibility for the Directors in catching the best price and time to maximise fair value gain.

The Directors believe that the Proposed Disposal and the Disposal Mandate are fair and reasonable and in the interests of the Shareholders as a whole.

The Group intends to use the potential sales proceeds for possible future investments and working capital. No investment project is negotiated or concluded by the Group up to the Latest Practicable Date.

Basis of Minimum Disposal Price

The following table details the (premium)/discount of Minimum Disposal Price to various prices of SMIC:

	Price per share *(in HK$)*	Percentage of (premium)/ discount *(in %)*
closing price as at the Latest Practicable Date	0.850	30.59
10 day average	0.887	33.48
3 month average	0.822	28.22
6 month average	0.680	13.24
12 month average	0.528	(11.74)

Notes:

1. All periods used in arriving the average prices are ended on the Latest Practicable Date.

2. Average prices are derived from stock price information as disclosed in the Stock Exchange website.

Having considered that the Mandate Period lasts for a period of twelve calendar months and the Minimum Disposal Price is approximately 18% above the carrying value of SMIC of RMB0.440 per share (equivalent to approximately HK$0.50) as at 31 December 2009, the Directors consider the Minimum Disposal Price as fair and reasonable.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

The Proposed Disposal is expected to accrue a gain before tax of approximately RMB56.62 million to the Group. The expected gain is calculated on the basis and assumption that: (i) all AFS SMIC Shares are disposed of within the Mandate Period; (ii) the AFS SMIC Shares are disposed of at Minimum Disposal Price, resulting in an expected sales proceeds of approximately RMB126.20 million; (iii) the carrying value of the AFS SMIC Shares was approximately RMB0.440 per share as derived from the Group audited consolidated statement of financial position as at 31 December 2009, resulting in a carrying value of approximately RMB107.05 million in aggregate; and (iv) the investment revaluation reserve attributable to the AFS SMIC Shares was approximately RMB37.47 million as at 31 December 2009. This amount will be transferred to the consolidated statement of comprehensive income of the Group upon disposal of AFS SMIC Shares. The expected gain is the sum of the investment revaluation reserve amount as described in (iv) and the excess of the sales proceeds as described in (ii) over the carrying value as described in (iii).

Based on the four assumptions described above, consolidated assets of the Group will increase by RMB19.15 million being the excess of the sales proceeds as described in (ii) over the carrying value as described in (iii). Proposed Disposal is expected to have no effect on the consolidated liabilities of the Group.

The Company emphasises that all the figures as disclosed above are for reference only. The actual sales proceeds, the carrying value of AFS SMIC Shares and the amount of investment revaluation reserve attributable to the AFS SMIC Shares are all subject to subsequent changes in relation to the actual selling prices and the relevant amounts of carrying values and investment revaluation reserve at dates of disposal. Actual gain or loss on Proposed Disposal to be recognized and reported in the consolidated statement of comprehensive income of the Group as well as the financial effect of Proposed Disposal on the Group may be significantly different from the amounts as stated in this circular.

INFORMATION OF THE GROUP AND SMIC

The Group is principally engaged in the research, development, manufacture, marketing and sale of wireless fire alarm systems and related products ("WFAS"), the provision of network security outsource services and manufacture and sale of network security products ("NET"), the sale of computer products ("Computers") and the development of travel and leisure business ("Tourism Development").

SMIC and its subsidiaries are principally engaged in the manufacture and trading of semiconductor products.

Unaudited total consolidated assets and net assets of SMIC were approximately US$3.65 billion (equivalent to approximately RMB24.92 billion) and US$1.97 billion (equivalent to approximately RMB13.45 billion) as at 31 December 2009 respectively. The value of total consolidated assets being the subject of the Proposed Disposal is approximately RMB270.2 million. SMIC reported audited consolidated net loss before tax of US$405.5 million (equivalent to approximately RMB2.77 billion) and US$48.0 million (equivalent to approximately RMB327.7 million) for each of the year ended 31 December 2008 and 2007 respectively. SMIC reported audited consolidated net loss after tax of US$431.9 million (equivalent to approximately RMB2.95 billion) and US$18.3 million (equivalent to approximately RMB124.9 million) for each of the year ended 31 December 2008 and 2007 respectively. SMIC reported audited consolidated net loss before and after tax of US$1.01 billion (equivalent to approximately RMB6.90 billion) and US$0.96 billion (equivalent to approximately RMB6.56 billion) for the year ended 31 December 2009 respectively. However, no consolidated net losses before tax of SMIC were attributable to the Proposed Disposal as the Group did not receive any dividend income from SMIC for each of the year ended 31 December 2008 and 2007.

IMPLICATION UNDER THE GEM LISTING RULES

If the Group proceeds with the Proposed Disposal, the aggregate of all those AFS SMIC Shares disposed of may constitute very substantial disposal of the Company pursuant to Rule 19.08 of the GEM Listing Rules. The Proposed Disposal is subject to reporting, announcement and shareholders' approval requirements pursuant to Rule 19.33 of the GEM Listing Rules.

As the Proposed Disposal will be conducted on market through the trading system of the Stock Exchange, the Group is unable to know the identity of market buyers. The Company confirms that, to the best of the Directors' knowledge, information and belief, the market buyers of those AFS SMIC Shares to be disposed of by the Group and their ultimate beneficial owners will be third parties independent of the Company and its connected persons. Should the Group find out that any counterparty is a connected person before disposal of AFS SMIC Shares, the Group will strictly follow the reporting, announcement and independent shareholders' approval requirement as stated in Chapter 20 of the GEM Listing Rules.

In respect alone of the Subsequent Disposal, all applicable size test ratios are below 5%. Subsequent Disposal is exempted from reporting, announcement and shareholders' approval requirements pursuant to Rule 19.33 of the GEM Listing Rules.

GENERAL

The Company will convene an AGM on Wednesday, 30 June 2010. In order to save time and costs of Shareholders, the Directors suggest to include the Disposal Mandate in the AGM for Shareholders to consider and approve if they thinks fit.

A notice convening the AGM of the Company to be held at Room 312, Block A, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC on Wednesday, 30 June 2010 at 10:30 a.m. which includes, among other matters, an ordinary resolution in relation to the Disposal Mandate, is set out on pages 42 to 46 of this circular. A reply slip and a form of proxy for use at the AGM are also enclosed. The ordinary resolution in relation to the Disposal Mandate is highlighted in bold for easy reference.

Whether or not you are able to attend the meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon. For holders of H Shares, you are required to return the form of proxy to the Company's H share registrar in Hong Kong, Hong Kong Registrars Limited, at Room 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. For holders of the 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 the holding of the meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, none of the Shareholders has material interests in the Proposed Disposal and none of them shall abstain from voting for or against the ordinary resolution of the Disposal Mandate at the AGM.

Whether the Company will decide to or not to proceed with the Proposed Disposal will depend on a number of factors including but not limited to prevailing market sentiment and market conditions during the Mandate Period. Any decision will also be subject to Company compliance with the GEM Listing Rules. While the Company currently intends to proceed with the Proposed Disposal, the Company emphasizes that there is no assurance the Company will necessarily proceed with any part of the Proposed Disposal. **Shareholders and investors should exercise caution when dealing in the securities of the Company.**

RECOMMENDATIONS

The Directors consider that the Proposed Disposal and the terms of the Disposal Mandate are in the interests of the Company and the Shareholders and are fair and reasonable so far as the Shareholders are concerned. The Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed in the AGM for approval of the Disposal Mandate.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

Yours faithfully,
By order of the Board
Beijing Beida Jade Bird Universal
Sci-Tech Company Limited
Chu Yu Guo
Chairman

The following unaudited financial information of the AFS SMIC Shares (the "Unaudited Financial Information") is prepared by the Group based on information as shown in the underlying books and records of the Group for each of the three years ended 31 December 2009, 2008 and 2007.

	Year ended 31 December		
	2009	**2008**	**2007**
	RMB'000	*RMB'000*	*RMB'000*
Recognised in profit or loss for the year:			
Dividend income	–	–	–
Impairment loss	–	(115,596)	–

	At 31 December		
	2009	**2008**	**2007**
	RMB'000	*RMB'000*	*RMB'000*
Valuation:			
At fair value	107,053	69,695	186,713

RSM Nelson Wheeler, the independent auditor of the Company, has been engaged by the Directors to perform certain factual finding procedures on the Unaudited Financial Information in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants and concluded that such information has been properly compiled and derived from the underlying books and records of the Group.

The accompanying unaudited pro forma consolidated statement of comprehensive income and consolidated net assets statement (collectively "Unaudited Pro Forma Financial Information") of the Remaining Group have been prepared to illustrate the effect of the Proposed Disposal.

The unaudited pro forma consolidated statement of comprehensive income and consolidated net assets statement of the Remaining Group have been prepared in accordance with Rule 7.31 of the GEM Listing Rules for the purpose of illustrating the effect of the Proposed Disposal as if the Proposed Disposal had taken place on 1 January 2009 and 31 December 2009 respectively.

Unaudited Pro Forma Financial Information of the Remaining Group is prepared based on the audited consolidated statement of comprehensive income of the Group for the year ended 31 December 2009 and audited consolidated statement of financial position of the Group as at 31 December 2009 and after making pro forma adjustment relating to the Proposed Disposal that is (i) directly attributable to the transaction and (ii) factually supportable.

Unaudited Pro Forma Financial Information of the Remaining Group is based on a number of assumptions, estimates and uncertainties, and is provided for illustrative purposes only. Accordingly, as a result of the hypothetical nature of the Unaudited Pro Forma Financial Information, it may not give a true picture of the actual financial position and results of operation of the Remaining Group that would have been attained had the Proposed Disposal actually occurred on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Remaining Group's future financial position and results of operation.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE REMAINING GROUP

	The Group for the year ended 31 December 2009	Pro forma adjustment	Pro forma Remaining Group
	RMB'000	*RMB'000*	*RMB'000*
		Note (i)	
Turnover	230,723		230,723
Cost of sales and services	(138,657)		(138,657)
Gross profit	92,066		92,066
Other gains and income	13,474		13,474
Distribution costs	(12,997)		(12,997)
Administrative expenses	(34,358)		(34,358)
Other operating expenses	(4,366)		(4,366)
Profit from operations	53,819		53,819
Finance costs	(62)		(62)
Share of losses of jointly controlled entities	(4,560)		(4,560)
Profit before tax	49,197		49,197
Income tax expense	(11,417)		(11,417)
Profit for the year	37,780		37,780
Other comprehensive income after tax:			
Change in fair value of available-for-sale financial assets	92,342	(37,469)	54,873
Exchange differences on translating foreign operations	46		46
Income tax relating to change in fair value of available-for-sale financial assets	(3,289)		(3,289)
Other comprehensive income for the year, net of tax	89,099		51,630
Total comprehensive income for the year	126,879		89,410

UNAUDITED PRO FORMA CONSOLIDATED NET ASSETS STATEMENT OF THE REMAINING GROUP

	The Group as at 31 December 2009	Pro forma adjustment	Pro forma Remaining Group
	RMB'000	*RMB'000*	*RMB'000*
		Note (ii)	
Non-current assets			
Property, plant and equipment	56,728		56,728
Prepaid land lease payments	5,523		5,523
Goodwill	6,125		6,125
Other intangible assets	22,508		22,508
Investments in jointly controlled entities	96,615		96,615
Available-for-sale financial assets	232,568	(107,053)	125,515
	420,067		313,014
Current assets			
Inventories	30,510		30,510
Trade receivables	21,608		21,608
Due from a shareholder	47		47
Due from related parties	147		147
Prepayments, deposits and other receivables	28,301		28,301
Non-pledged time deposits with original maturity of more than three months when acquired	3,425		3,425
Cash and cash equivalents	541,822	107,053	648,875
	625,860		732,913
Total assets	1,045,927		1,045,927
Current liabilities			
Trade payables	28,528		28,528
Advances from customers	9,866		9,866
Accruals and other payables	37,307		37,307
Due to a shareholder	2,076		2,076
Due to related parties	3,374		3,374
Bank loan	10,000		10,000
Current tax liabilities	67,017		67,017
	158,168		158,168
Net current assets	467,692		574,745
Total assets less current liabilities	887,759		887,759
Non-current liabilities			
Deferred tax liabilities	3,289		3,289
	3,289		3,289
NET ASSETS	884,470		884,470

Notes to Unaudited Pro Forma Financial Information of the Remaining Group

(i) The adjustment represents the Proposed Disposal at fair value as at 1 January 2009 at a total cash consideration of RMB69,695,000. Transaction cost is not considered due to its immateriality. The adjustment represents an exclusion of change in fair value of the AFS SMIC Shares of RMB37,469,000 originally recognised for the year ended 31 December 2009.

(ii) The adjustment represents the Proposed Disposal at fair value as at 31 December 2009 at a total cash consideration of RMB107,053,000. Transaction cost is not considered due to its immateriality.

ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountants, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

29th Floor
Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

4 May 2010

The Board of Directors
Beijing Beida Jade Bird Universal Sci-Tech Company Limited

Dear Sirs,

We report on the unaudited pro forma financial information of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the proposed disposal of 243,163,400 ordinary shares of Semiconductor Manufacturing International Corporation, certain available-for-sale financial assets of the Group listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") might have affected the financial information of the Group presented, for inclusion in Appendix II to the circular of the Company dated 4 May 2010 (the "Circular"). The basis of preparation of the unaudited pro forma financial information is set out on page 12 to the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the responsibilities solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 31 December 2009 or any future date; or
- the results of the Group for the year ended 31 December 2009 or any future periods.

OPINION

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING GROUP FOR EACH OF THE YEAR ENDED 31 DECEMBER 2007, 2008, 2009

2007

Business Review

Overview

Turnover of the Group rose to approximately RMB156.1 million for the year ended 31 December 2007, representing an improvement of 35.0% over last year. All business segments experienced growth from 21.6% to 44.8% as compared with last year. Gross profit recorded approximately RMB25.5 million, representing an increase of 13.8% over last year. Gross profit margin dropped from 19.4% to 16.4% for the year ended 31 December 2007. It was mainly because of price drop in WFAS market and the strategy of the Group in expansion of market share in this market by using competitive price strategy and offering price incentives. Other income doubled as compared with last year mainly because of interest income from fixed deposits placed in bank during the year.

Overall operating expenses increased from RMB43.9 million to RMB56.1 million for the year ended 31 December 2007. It was mainly because of an impairment loss on available-for sale financial assets provided during the year. Finance costs rose by 66.8% to approximately RMB38.9 million mainly because full year interest expenses were incurred in connection with the cash collateral, which was classified as other loan, payable to Nexgen Capital Limited ("NCL") as well as net exchange loss resulting from weak US dollars throughout the year.

Change in fair value of derivative financial instruments represented fair value adjustment on the share option granted to NCL during the year ended 31 December 2007. The Group's share of loss of an associate, being 北京城建東華房地產開發有限責任公司 (Beijing Chengjian Donghua Real Estate Development Company Limited) ("CJDH"), reduced to approximately RMB0.9 million because the Group shared the results of CJDH for a period of approximately 7 months during the year ended 31 December 2007 only. The Group disposed of its entire equity interest in CDJH in early August 2007 at a gain of approximately RMB386.1 million.

As a result, the Group made a profit of approximately RMB281.5 million or RMB23.8 cents per share for the year ended 31 December 2007, representing a turnaround from loss for last year.

WFAS

WFAS segment contributed to 40.9% of the Group's turnover for the year ended 31 December 2007. The Group emphasised on expansion of market share during the year. As a result of relaxation in credit terms and enhancement in sales promotion, turnover rose by 44.8% as compared with last year despite keen competition. Profit from WFAS segment reduced to approximately RMB0.1 million for the year ended 31 December 2007 despite of growth in turnover. It is mainly the combined result of the allowance made for certain doubtful receivables in an amount of RMB1.5 million and allowance for obsolete and slow-moving inventories in an amount of RMB1.6 million. Should these allowances be considered separately, WFAS segment would recorded a profit for the year of approximately RMB3.2 million, representing a decrease of 23.5% over last year. In lieu of management expectation in growing demand of fire alarm products as a whole, the Group expanded through formation and acquisition of joint ventures in the PRC.

NET

NET segment contributed to 9.8% of the Group's turnover for the year ended 31 December 2007. It rose by 21.6% over last year. Segment loss reduced to approximately RMB1.4 million or by 58.9% for the year. Performance of the segment improved mainly because of general increase in demand and the enhancement of the Group's product quality during the year.

Computers

Computers segment contributed to 49.3% of the Group's turnover for the year ended 31 December 2007. It rose by 30.5% over last year. Profit from Computers segment rose significantly to approximately RMB3.7 million. Performance of the segment improved because customers accelerated their rate of hardware upgrade to keep their pace on evolving technology like the rise in popularity of EMC system.

Tourism Development

Tourism Development segment was a new business segment of the Group after the Group set up a new subsidiary in the PRC. Loss from the segment came from initial costs incurred for setting up the subsidiary.

Investment in an associate – CJDH

On 21 May 2007, the Company entered into a share transfer agreement with 北京北大青鳥安全系統工程技術有限公司 (Beijing Beida Jade Bird Security System Engineering Technology Company Limited) ("JBSS"), a connected person of the Company under the GEM Listing Rules, pursuant to which the Company conditionally agreed to sell 44% of the registered capital of CJDH and the shareholder's loan previously advanced to CJDH by the Company in an amount of RMB61.6 million to JBSS for an aggregate cash consideration of RMB697.2 million. All the conditions were fulfilled and the transaction was completed before year end. The Company had received all the consideration before year end.

Available-for-sale financial assets – SMIC

According to the result announcement published by SMIC on 29 January 2008, revenue rose up to US$395.3 million in the fourth quarter of 2007 ("4Q07"), representing an increase of 3.0% over the fourth quarter of 2006 ("4Q06") and an increase of 1.0% over the third quarter of 2007 ("3Q07"). Gross margin recorded 8.9% in 4Q07. It decreased from 10.8% in 3Q07 primarily due to the continual price decline in the DRAM market. Net loss recorded approximately US$21.2 million in 4Q07 which mainly resulted from the DRAM business. In respect of the year ended 31 December 2007, revenue rose up by 5.8% to approximately US$1,549.8 million despite the difficult condition in the DRAM market. Gross profit rose up by 20% to approximately US$152.7 million as compared with last year owing to the growth in the non-DRAM business. Gross margin was 9.9% for the year ended 31 December 2007 while the figure was 8.7% last year. Net loss reduced from approximately US$44.1 million to approximately US$40.0 million for the year ended 31 December 2007.

Production capacity increased to 185,250 8-inch equivalent wafers per month with a utilization rate of 94%. Wafer shipment and sales increased by 14.6% and 5.8% respectively in 2007. SMIC reduced the size of DRAM foundry services in 4Q07 in order to mitigate from the continuing DRAM pricing erosion in the market. On the other hand, non-DRAM business grew as evidenced by increase in revenue from approximately US$988 million to approximately US$1,121 million for the year ended 31 December 2007. Gross profit rose over one fold from last year. In addition, logic sales from 0.13 micron and 90-nanometer technology nodes significantly increased by 42% over last year after the migration to more advanced technology process nodes by logic customers.

PRC sales showed a remarkable 56% growth in 2007 after the rapid expansion of overall semiconductor market in the region. SMIC captured 77 new customers worldwide in 2007 and most of them came from the PRC. Customer base thus expanded by 23.3%.

SMIC entered into a licensing agreement with IBM in which IBM would license its 45-nanometer bulk CMOS technology to SMIC in order to accelerate technology advancement in logic process technology and provide optimal solutions for customers at the 12-inch facilities.

In 2008, SMIC planed to start a new IC production project in Shenzhen, the PRC. It planed to set up an IC technology research and development center, an 8-inch wafer production line and a 12-inch fab. The 12-inch fab would introduce advanced process technology licensed from IBM pursuant to the licensing agreement.

The Group did not receive any dividend income from SMIC during the year.

Capital Commitments

The Group had capital commitments on certain property, plant and equipment contracted for purchase but not provided for in an amount of approximately RMB1,170,000 as at 31 December 2007.

Save as aforesaid, the Group did not have material capital commitments as at 31 December 2007.

Major Events during the year

Apart from the disposal of CJDH as mention in the section headed "Investment in an associate -CJDH", the Group carried out 5 more significant transactions during the year ended 31 December 2007.

On 18 May 2007, BJBU Development entered into a supplemental letter agreement with NCL pursuant to which the parties thereto agreed to certain amendments to the terms of the securities lending agreement entered into last year. The amendments included an extension of the duration of the securities lending transaction for a period of 42 months ending on 18 June 2010, an adjustment on the rate of interest on any cash collateral paid to BJBU Development by NCL to US$ LIBOR three-month plus 4% and an adjustment on the maximum amount of such collateral to approximately US$32.8 million from time to time. The transaction was completed before year end.

On 18 May 2007, BJBU Development and NCL entered into a share options agreement pursuant to which BJBU Development agreed to grant to NCL any or all of the 161,944,000 call options of SMIC shares held by BJBU Development on a one to one basis. In return of this grant, NCL had paid an upfront premium in an amount of approximately US$0.3 million to BJBU Development. NCL was required to pay a subsequent quarterly premium to BJBU Development in an amount of 2.2% per annum for the period commencing from 18 December 2006 to two Stock Exchange trading days before 18 June 2010. The grant was completed before year end.

On 22 October 2007, the Company together with BJBU Development entered into a joint venture agreement with 北京中億創一科技發展有限公司 (Beijing Zong Yi Chuang Yi Technological Development Company Limited) ("ZYCY") pursuant to which all parties agreed to form a joint venture in the PRC named 衡陽南嶽瀟湘旅遊發展有限公司 (Hengyang Nanyue Xiaoxiang Tourism Development Limited) ("Xiaoxiang Tourism"). Xiaoxiang Tourism had a registered capital of RMB200 million in which the Group contributed to 60% equity interests. The principal activities of Xiaoxiang Tourism are exploration and development of travel and leisure business and relating infrastructure construction, in particular, the construction of Hengshan Terminal. Hengshan Terminal would situate at Hengyang City in Hunan Province and would comprise a car terminal and tourist information centre. Xiaoxiang Tourism was registered before year end. Half of the registered capital had been contributed by all parities.

On 11 December 2007, Xiaoxiang Tourism entered into a share transfer agreement with 湖南天通商貿有限公司 (Hunan Tian Tong Trading Co., Ltd.) ("Hunan TT") and 張家界市經濟發展投資集團有限公司 (Zhang Jie Jie Tourism Development Investment (Group) Co., Ltd.) ("ZJJ Investment") pursuant to which Hunan TT agreed to sell its 4.9% equity interests in ZJJ Tourism to Xiaoxiang Tourism by way of a judicial sale at an aggregate cash consideration of approximately RMB50.3 million. These shares were legally freezed by court after financial dispute between Hunan TT and ZJJ Investment. The shares were legally transferred to Xiaoxiang Toursim by Hunan TT before year end.

On 28 December 2007, BJBU Development entered into an agreement with Jinsheng International Group (Hong Kong) Limited ("Jinsheng HK") pursuant to which BJBU Development agreed to provide Jinsheng HK with a US$ senior secured term loan facility in a maximum amount of US$18 million at an annual interest rate of 30% for a period of 4 months ending on 30 April 2008. The facility was secured by a first fixed share charge on 36 issued shares of Jinsheng HK. The facility was fully drawn by Jinsheng HK before year end.

Major Events subsequent to year end

The Group conducted 3 significant transactions subsequent to the year ended 31 December 2007.

On 23 January 2008, 河北北大青鳥環宇消防設備有限公司 (Hebei Beida Jade Bird Universal Fire Alarm Device Company Limited) ("Hebei Fire Alarm") entered into a joint venture agreement with Halma International Limited ("Halma") pursuant to which both parties agreed to form a joint venture in the PRC named Apollo Universal Fire Detection Products Ltd. ("Apollo Universal"). Apollo Universal had a registered capital of RMB50 million in which Hebei Fire Alarm would contribute to 70% equity interests. The principal activities of Apollo Universal are research, development, manufacture, marketing and sale of fire detection, safety and surveillance products. After completion of registered capital contribution and inclusion of Apollo Universal in the List of Fire Fighting Product Manufacturer of China Certification Centre of Fire Products of the Ministry of Public Security of the PRC, Hebei Fire Alarm conditionally agreed to sell 21% equity interests in Apollo Universal to Halma at a consideration of RMB20 million.

On 22 February 2008, BJBU Development entered into a limited partnership agreement with MS Fund Management Holdings, LLP and SBI & BDJB Management Limited pursuant to which all parties agreed to set up an investment fund in the form of exempted limited partnership named SBI & BDJB China Fund, L.P. (the "Fund"). The size of the Fund is US$100 million in which BJBU Development was required to contribute up to a maximum amount of US$50 million. The commitment period of the Fund was 3 years. The main purpose of the Fund is to seek capital gain by making equity and equity related investments in unlisted companies and businesses operating in the PRC and real estates in the PRC.

On 7 March 2008, Hebei Fire Alarm entered into a share transfer agreement with 四川久遠投資控股有限公司 (Si Chuan Jiu Yuan Investment Holding (Group) Co., Ltd.) ("SCJY") pursuant to which SCJY agreed to sell its 75% equity interests in 四川久遠智能監控有限責任公司 (Si Chuan Jiu Yuan Intelligent Surveillance Co., Ltd.) ("SCIS") to Hebei Fire Alarm at a cash consideration of approximately RMB2.4 million. SCIS is principally engaged in design, manufacture and sale of fire alarm system, security and fire equipment products and relating installation and consultation service.

Liquidity and Financial Resources

Net asset value of the Group increased by 35.6% to RMB1,020.6 million or RMB0.86 per share as compared with 2006. It was mainly the result of increase in cash and cash equivalents after cash consideration received from the disposal of CJDH during the year. The Group had cash and cash equivalents of approximately RMB654.1 million as at year end which represented an increase of over 6 times as compared with 2006. Current ratio (being the ratio of current assets to current liabilities) improved significantly from approximately 1.3 to approximately 6.7 for the year ended 31 December 2007. As mentioned in the section "Major Events during the year", the duration of other loan regarding cash collateral received from NCL was extended. Corresponding amount of RMB177.7 million was reclassified from current to non-current liabilities as at 31 December 2007. Gearing ratio (being the ratio of total interest bearing debts to equity) reduced from approximately 32.0% to approximately 18.4% as at 31 December 2007. It was mainly a combined result of partial repayment of bank loans and cash collateral during the year and increase in profit for the year.

Human Resources

The Group employed a total of approximately 360 staff as at 31 December 2007. Over 40% of them possessed bachelor degree or above and 3 of them were doctorates. The Group always keeps track of the market development and offers competitive remuneration package to the staff including medical coverage and traveling insurance. The Group strictly follows the requirements both in Hong Kong and the PRC regarding provident fund. Employer contributions to the fund were made timely.

2008

Business Review

Overview

The Group recorded a turnover of approximately RMB171.1 million for the year ended 31 December 2008. It grew by 9.9% year-on-year. Gross profit was approximately RMB40.7 million. It increased by 59.2% year-on-year. Gross profit margin improved from 16.4% to 23.7%. The brilliant start of our travel and leisure business and sustainable growth of WFAS business contributed most to the turnover increase albeit under-performed NET and Computers segments. Cost of sales and services remained stable while operating expenses rose by 9.6% during the year. The Group's operation recorded a turnaround, reporting a profit from operations of approximately RMB35.3 million during the year while it made loss of approximately RMB14.2 million last year. Finance costs decreased by 6.4% year-on-year mainly due to early repayment of cash collateral under the securities lending arrangement and the interest rate cut as a result of financial crisis. However, the Group recorded a substantial net loss of approximately RMB191.0 million for the year while the Group made a net profit of approximately RMB281.5 million last year. The loss was mainly attributable to the impairment loss on the Group's investment in equity securities listed on the Main Board of Stock Exchange after significant decline in market value following the breakout of financial tsunami.

WFAS

WFAS segment contributed 55.9% to the Group's turnover for the year, representing an increase in contribution by 15.0% year-on-year. Segment profit boosted drastically to RMB6.4 million during the year. It was the most profitable segment of the Group. Benefited from the stable product quality and reasonable price, the Group had laid a solid foundation in the WFAS market. The expansion strategy through setting up representative offices and enhancement of high calibre sales force boosted the sales amount during the year. Completion of certain major fire prevention system projects and intelligent system projects also contributed to the stellar performance of the segment.

During the year, the Group acquired 75% equity interests in SCIS at a cash consideration of approximately RMB2.4 million. The acquisition enabled the Group to expand its market share.

NET

NET segment contributed 5.8% to the Group's turnover for the year, representing a drop in contribution by 4.0% year-on-year. The Group emphasised on research and development of new product during the year. However, the process was much longer than expected. The Group was unable to launch new product to the market during the year. Progress of existing product upgrade was also hindered as less resources were allocated. The Group's competitiveness inevitably fell behind the competitors. Segment performance was far from satisfactory.

Computers

Computers segment contributed 21.3% to the Group's turnover for the year. The contribution dropped by 28.0% year-on-year. Financial crisis has led to a dwindling demand in Computers. Customers were reluctant to spend on hardware upgrade and replacement. The Group also tightened credit control to reduce debt recoverability risk. Business volume was adversely affected. The segment made a slight loss of approximately RMB0.5 million during the year owing to the thin profit margin.

Tourism Development

The Group's travel and leisure business was conducted through Xiaoxiang Tourism. This segment contributed 17.0% to the Group's total turnover and generated segmental profits of approximately RMB2.2 million for the year. The environmental-friendly bus service started operation in the first half of the year. 60 buses served the tourists who visited 南嶽衡山風景名勝區 (Nanyue Hengshan Scenic Spot). A lot of tourists had used the bus service. The performance exceeded expectation.

Other income

Other income of the Group mainly represented interest income at a total amount of approximately RMB41.6 million earned from two loans during the year. One of the loans was a US$ senior secured term loan lent to Jinsheng Hong Kong in a maximum amount of US$18 million. The other loan was a HK$ senior secured term loan lent to Best Chance Holdings Limited in a maximum amount of HK$111.4 million. Both companies repaid the loans in full during the year.

Available-for-sale financial assets – SMIC

According to the latest published information available, SMIC recorded a revenue of approximately US$272.5 million for the fourth quarter of the year ended 31 December 2008, representing a decrease by 27.5% quarter-on-quarter from the third quarter of the year owing to a decrease in wafer shipments. SMIC incurred a net loss of US$124.5 million in the fourth quarter of year. The loss climbed up over three times quarter-on-quarter from the third quarter amid the financial turmoil. The conversion of DRAM capacity to non-DRAM business led to a palpable increase in sales amount of the latter. Non-DRAM revenue increased by 14.3% year-on-year despite of a difficult fourth quarter. Leveraging the strength in the PRC market, SMIC had increased its sales to the domestic IC companies by 28% during the year.

Available-for-sale financial assets – ZJJ Tourism

According to the latest published information available, ZJJ Tourism recorded a turnover of approximately RMB87.3 million and a net loss of approximately RMB33.4 million for the year ended 31 December 2008 respectively. Its operation made loss for the year mainly because of de-consolidation of certain travel agents, the natural disasters happened in Mainland China, keen competition and hardware deterioration of its hotels. ZJJ Tourism foresaw that the market would remain unstable and spending on tourism would be reduced. To cope with the situation, ZJJ Tourism planned to strengthen the marketing of its scenic spots, control cost stringently, strengthen staff training and optimise its hardware. The split share structure reform was not yet approved by shareholders. ZJJ Tourism had not unveiled the reform procedure again up to date of 2008 annual report.

Liquidity and Financial Resources

Net asset value of the Group was approximately RMB757.6 million as at 31 December 2008, representing a decrease of RMB263.0 million year-on-year. It was mainly the result of significant decrease in fair value of the Group's investment in equity securities listed in Hong Kong after the stock price plummeted to a low level. The drop in net asset value did not affect the cash flow of the Group. The Group maintained a strong net cash position. The Group had cash and cash equivalents of approximately RMB551.6 million as at year end while it had no interest-bearing debts. Cash collateral under the securities lending arrangement had been repaid during the year. Current ratio (being the ratio of current assets to current liabilities) deteriorated by 2.4 year-on-year to 4.3 as at the year end. Gearing ratio (being the ratio of total interest bearing debts to total equity) reduced to zero.

The Group's operation was generally funded by internal resources.

Exposure to Foreign Currencies

The Group had certain exposure to foreign currency risk as most of its business activities, assets and liabilities were denominated in US$, HK$ and RMB. The Group did not formulate a foreign currency hedging policy as RMB is the functional currency of the Group. RMB is relatively strong as compared with other currencies and its fluctuation is relatively small. The Group would monitor its foreign currency exposure closely and would consider hedging significant foreign currency exposures when necessary.

Capital Commitments

The Group had capital commitments to jointly controlled entities total approximately RMB307.9 million as at 31 December 2008.

Human Resources

The Group employed around 660 staff as at 31 December 2008. The surge in workforce was mainly due to the recruitment of staff members after the start of travel and leisure business and the acquisition of SCIS during the year. The Group offered competitive remuneration package to its staff including medical insurance and travel insurance. The Group strictly followed the requirements regarding mandatory provident fund in Hong Kong and state-managed pension scheme in the PRC respectively.

The Directors' emolument consist of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director.

2009

Business Review

Overview

The Group's turnover totaled approximately RMB230.7 million for the year ended 31 December 2009, soared by 34.4% year-on-year. Gross profit boosted by 1.3 times year-on-year to RMB92.1 million. Gross profit margin widened from 23.7% to 39.9% year-on-year. Cost of sales and services rose by 5.9% year-on-year to RMB138.7 million. WFAS business and travel and leisure business remained the two bellwethers, leading the Group to experience a jubilant year. Overall operating expenses, including distribution costs, administrative expenses and other operating expenses, decreased by 15.8% year-on-year to RMB51.7 million mainly because research and development on network security product was nearly stopped after the Group faded out this non-profitable manufacture and trading business. Finance costs dropped drastically by almost 100% year-on-year to RMB62,000 due to full repayment of cash collateral under the securities lending arrangement in the second half of last year and the net foreign exchange gain recorded during the year. Benefited from the well-performed WFAS and travel and leisure businesses, profit for the year showed a V-shaped rebound and marked a remarkable increase to RMB37.8 million as compared with loss of RMB191.0 million last year.

WFAS

WFAS segment contributed 67.1% to the Group's turnover for the year. Turnover rallied to RMB154.9 million, up 61.4% year-on-year. Segment profit soared 3.7 times to RMB29.6 million. WFAS business is flourishing. Demand for fire alarm systems and related products remained strong especially after a lot of urban infrastructural projects were kicked off during the year as a result of economic stimulus package. Many projects which were deferred previously due to economic crisis and 2008 Beijing Olympic Games restarted. Hundreds and thousands of disasters in the past few years also alerted people to the potential risk of fire, stimulating the demand for fire protection solutions. Starting from last year, the Group set up representative offices in different provinces in the PRC to seize the opportunity emerged from the elimination of non-complied small competitors after the adoption of the new Fire Protection Law. This expansion strategy remained a major focus during the year and the pace accelerated. The Group shifted the production of non-mainstream products to SCIS and freed up capacity to produce main stream products like detectors. The Group also equipped with more new plant and machinery to speed up production and stabilise quality. These two measures helped the Group meet the flying demand. More high calibre and experienced salespersons were recruited to strengthen sales force. Intensive trainings were also provided for the technical staff and after-sales service levels were upgraded. New products introduced during the year not only diversify product mix but also allow the Group to maintain customer loyalty. The Group strives for maximising customers' benefit by keeping a competitive pricing strategy. Since the Group controlled production costs stringently, high profit margin was maintained.

NET

NET segment contributed 1.9% to the Group's turnover for the year. Turnover was RMB4.4 million, dropped 56.0% year-on-year. NET segment reported a slight profit of RMB0.5 million as compared with a loss of RMB7.7 million last year mainly due to improvement in performance. Starting from the end of last year, the Group developed network security outsourcing actively and faded out the original manufacture and trading business. The Group reduced sales and technical staff headcount to a minimum, leaving remaining staff to wrap up outstanding projects and to follow up outstanding accounts receivable. It employed specific experienced staff in the meantime to provide tailor-made outsource service. Outsource business was on track since the third quarter and corresponding turnover climbed up gradually month-over-month. The Group was serving two clients during the year. It had contracted with one new client and had started negotiation with several potential sizable enterprises.

Computers

Computers segment contributed 8.0% to the Group's turnover for the year. Turnover recorded RMB18.4 million only, down 49.6% year-on-year. However, certain one-off service provided during the year helped the segment avoid from loss. A tiny profit of RMB2.6 million was reported as compared with a loss of RMB0.5 million last year. Financial crisis reduced management's intention to upgrade or renew hardware. Confidence on future was still weak albeit turnaround of stock market. In addition, vicious competition from factories set up by famous brands directly in the PRC deeply affected the Group's Computers trading business. Having aware of this situation, the Group had deliberately reduced resources in the business. The ultimate aim is to fade it out in the near future, retaining valuable human and financial resources and using them industriously for other profitable areas.

Tourism Development

Tourism Development segment contributed 23.0% to the Group's turnover for the year. Turnover rallied to RMB53.1 million, up 81.7% year-on-year. Profit increased over 9 times year-on-year to RMB23.1 million. Although scenic spot entrance fee was adjusted upward during the year and conation was yet to be recovered in the aftermath of financial turmoil, almost one million man-times of tourists visited Hengshan in 2009. Tourist number remained stable. Around 92% of them took the environmental bus of the Group. Hengyang City Government has renovated the scenic spot to improve its image. It also prohibited against unauthourised service providers to carry out illegal transport service. It offered privileges like annual pass as well as allied with Guilin as friendly cities to attract tourists. These actions helped stablise the number of visitors. In addition, comparative figures covered 9 months only instead of a full year as the transport service started in April 2008.

Other gains and income

Other gains and income mainly represented bank interest income and gain on disposal of financial assets. The amount dropped significantly year-on-year as all loan receivables had been collected in 2008.

Investment in a jointly controlled entity – the Fund

The Group contributed US$10 million further into the Fund during the year. Total capital contribution to the Fund accumulated to US$15 million. The Fund concluded the first investment, being a sizable PRC vocational IT education service provider, subsequent to the contribution It is highly recognised in the PRC IT education industry with remarkable market share.

Available-for-sale financial assets – SMIC

According to the latest published information available, SMIC reported revenue of US$333.1 million, up 3.0% quarter-over-quarter due to a 1.6% increase in wafer shipments. Gross margin improved ten times to 10.6% over the third quarter of 2009 due to increase in average selling price per wafer, total wafer shipments as well as factory utilization. Greater China sales continued to grow and reached 38% of total revenue for the fourth quarter with Mainland China sales accounted for 21%. Revenue from advanced technology nodes of 0.13 micron and below grew by 12.9% quarter-over-quarter. Net loss for the fourth quarter of the year was US$482 million mainly due to huge impairment loss on assets and settlement of litigation charges totaled US$439 million. SMIC revealed that 2010 looked to be a good year for semiconductor industry. 2010 would be an important step toward sustained profitability.

Available-for-sale financial assets – ZJJ Tourism

According to the latest published information available, turnover of ZJJ Tourism increased by 3.7% to RMB90.6 million year-on-year. Revenue surge in Xiangxi area far outweighed the decrease in other areas. Drop in number of Korean tourists and lack of hotel maintenance hurt ZJJ Tourism. Stringent cost control as well as drop in standard lending rate helped ZJJ Tourism reduce its outlays. ZJJ Tourism reported a net loss of RMB47.3 million for 2009, down 39% year-on-year.

ZJJ Tourism completed the split share structure reform in June 2009. The shares held in ZJJ Tourism by the Group are now transferable in the stock market, subject to a lock-up period of one year until June 2010.

In order to improve its asset quality and profitability, ZJJ Tourism proposed to acquire an environmental transportation business and a real estate business. The two transactions are principally approved by Hunan Government as at the Latest Practicable Date.

Major Events

Formation of fourth session of the Board and supervisory committee of the Company

The Company held the 2008 AGM on 20 May 2009. Following the conclusion of the meeting, the third session of the Board and the supervisory committee of the Company ended and the fourth session started. Ms. Xue Li, Mr. Li Ming Chun, Mr. Chu Yu Guo, Ms. Feng Ping and Mr. Lin Yan were elected as new Directors. Mr. Xu Zhen Dong, Mr. Hao Yi

Lung and Professor Chin Man Chung, Ambrose retired from the Board. Mr. Lin replaced Professor Chin as a member of the audit committee of the Company. Professor Yang Jin Guan and Mr. Li Chong Hua were elected as new Supervisors while Mr. Du Hong and Ms. Lu Qing retired.

Subsequent to the year end, on 8 January 2010, Mr. Zhang Yong Li and Mr. Li Ming Chun were appointed as executive Director and Supervisor respectively. Mr. Zhang resigned from the supervisory committee of the Company while Mr. Li resigned from the Board immediately after their appointments.

Receipt of court order regarding freeze of interests of 北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited) ("Beida Jade Bird") held in the share capital of the Company

The Company was requested by 北京市第一中級人民法院 (Beijing No. 1 Intermediate People's Court) to freeze and not to register without approval any transfer, sale or pledge or other action of similar effect of 115 million Shares held by Beida Jade Bird for a period of two years commencing on 31 July 2009 to 30 July 2011. The freeze relates to this shareholder only. The Directors do not expect this court order to have any material adverse impact on the Group.

Change in shareholding of 杭州北大青鳥科技有限公司 (Hang Zhou Beida Jade Bird Sci-Tech Co., Ltd.) ("HZ Jade Bird")

The Company was notified by HZ Jade Bird that it entered into a share transfer agreement with 北京北大高科技產業投資有限公司 (Beijing Beida High Technology Investment Co., Ltd.) ("Beida High Technology") on 3 November 2009 pursuant to which HZ Jade Bird agreed to transfer 85 million Shares to Beida High Technology, representing 12.14% of the promoters Shares or 7.17% of the total issued share capital of the Company at date of agreement, for a consideration of RMB20 million. The transfer does not affect the shareholding of Peking University since both HZ Jade Bird and Beida High Technology are beneficially held by Peking University. The Directors do not expect this change to have any material adverse impact on the Group.

Liquidity and Financial Resources

Group net assets reached RMB884.5 million as at 31 December 2009, up 16.7% year-on-year thanked for the profitability improvement and rise in fair value of listed equity securities investments following the rebound of Hong Kong and the PRC stock markets during the year. Cash and cash equivalents were denominated in US$, HK$ and RMB. Balances decreased 1.8% to RMB541.8 million as at year end mainly due to further capital injection into the Fund. Current ratio (being the ratio of current assets to current liabilities) decreased slightly from 4.3 to 4.0 as at 31 December 2009. Gearing ratio (being the ratio of total interest-bearing debts to total equity) slightly increased from zero to 1.1% because of a current bank loan of RMB10 million. The bank loan was secured by a pledge over certain property, plant and equipment of the Group which amounted to approximately RMB12.7 million as at 31 December 2009, interest-bearing and repayable within one year. Financial position remains sound.

The operation of the Group is generally funded by internal resources.

Exposure to Foreign Currencies

The Group exposes to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in US$, HK$ and RMB. The Group does not formulate a foreign currency hedging policy at present as RMB, being the functional currency of the Group, is relatively strong and stable. The Group will closely monitor its exposure and take measures to lower the foreign currency risk when necessary.

Capital Commitments

The Group had capital contribution commitments to jointly controlled entities totaled approximately RMB239.2 million as at 31 December 2009.

Human Resources

The Group employed 655 staff as at 31 December 2009, dropped 0.8% year-on-year. Drop in number of research and development staffs accounts for most of the decrease after the Group's decision to fade out the network security product manufacture and trading business. The Group offers competitive remuneration package to its staff including medical insurance and travel insurance. The Group strictly follows the requirements regarding mandatory provident fund in Hong Kong and state-managed pension scheme in the PRC respectively.

Director's emoluments consist of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director.

FINANCIAL AND TRADING PROSPECT

The Group will develop WFAS suitable for export to the United States market. The Group aims at expanding the client base of NET segment in the meantime. Last but not least, the Fund strives for conclusion of further investments in 2010.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

(a) the information contained in this circular is accurate and complete in all material respects and not misleading;

(b) there are no other matters the omission of which would make any statement in this circular misleading; and

(c) all opinions expressed in this circular have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares and underlying shares of the Company and its associated corporations

As at the Latest Practicable Date, the interests (including interests in shares and short positions) of the Directors, Supervisors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have taken under such provisions of the SFO) and required to be entered into the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares:

Name of Director	Capacity	Number of Ordinary Shares: Personal interests in H Shares	Other interests in promoters Shares *(Note a)*	Total	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
Mr. Zhang Wan Zhong *(Note e)*	Beneficial owner and beneficiary of trust	12,070,000	205,414,000	217,484,000	29.34%	2.49%	18.36%
Ms. Xue Li *(Note e)*	Beneficiary of trust	–	205,414,000	205,414,000	29.34%	NA	17.34%
Mr. Zhang Yong Li *(Note b & e)*	Beneficiary of trust	–	205,414,000	205,414,000	29.34%	NA	17.34%
Mr. Xu Zhi Xiang *(Note e)*	Beneficial owner and beneficiary of trust	11,527,000	205,414,000	216,941,000	29.34%	2.38%	18.31%
Mr. Liu Yong Jin *(Note e)*	Beneficiary of trust	–	205,414,000	205,414,000	29.34%	NA	17.34%
Ms. Feng Ping *(Note c)*	Beneficiary of trust	–	205,414,000	205,414,000	29.34%	NA	17.34%
Name of Supervisor							
Mr. Li Ming Chun *(Note d)*	Beneficiary of trust	–	205,414,000	205,414,000	29.34%	NA	17.34%
Ms. Dong Xiao Qing	Beneficiary of trust	–	205,414,000	205,414,000	29.34%	NA	17.34%

Remarks: NA represents "not applicable"

Note:

(a) The above Directors and Supervisors are taken to be interested in the issued share capital 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 Zhen Dong (a former Director), Mr. Zhang Wan Zhong and Ms. Liu Yue (who has been replaced by Mr. Xu Zhi Xiang 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 Beijing Beida Jade Bird Software System Co., Ltd., Beida Jade Bird, Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd. and Xinda Real Estate Co., Ltd. (formerly known as Beijing Tianqiao Beida Jade Bird Sci-Tech Company Limited) 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 which Dynamic Win is interested. Mr. Xu Zhen Dong, Mr. Zhang Wan Zhong and Mr. Xu Zhi Xiang (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, respectively, out of 100 shares in the issued share capital of Heng Huat.

(b) Mr. Zhang Yong Li was appointed as Director on 8 January 2010. He resigned from the supervisory committee of the Company on the same date.

(c) Ms. Feng Ping is interested in the Shares by virtue of the interests held by her spouse.

(d) Mr. Li Ming Chun was appointed as Supervisor on 8 January 2010. He resigned from the Board on the same date.

(e) Mr. Zhang Wan Zhong, Ms. Xue Li, Mr. Zhang Yong Li, Mr. Xu Zhi Xiang and Mr. Liu Yong Jin are also directors of certain substantial shareholders of the Company, including Heng Huat, Dynamic Win, Beida Asset Management Co., Ltd., Beijing Beida Jade Bird Software System Co., Ltd., Beida Jade Bird and HZ Jade Bird.

Saved as disclosed above, none of the Directors, Supervisors and chief executive of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of the Company's associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules as at the Latest Practicable Date.

(b) Interests in share options

As at the Latest Practicable Date, no options have been granted by the Company pursuant to the share option scheme adopted by the Company on 5 July 2000.

3. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interests in any asset which had been since 31 December 2009, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.

Save as disclosed in this circular, as at the Latest Practicable Date, there is no other contract or arrangement subsisting at the Latest Practicable Date in which a Director is materially interested and which is significant in relation to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

Except for Mr. Zhang Yong Li and Mr. Li Ming Chun, each of the Directors and Supervisors has entered into a service contract with the Company for a term of three years commencing on 20 May 2009 and ending on the date of the 2011 AGM of the Company which will be convened in 2012.

Mr. Zhang Yong Li entered into a supervisor service contract with the Company on 20 May 2009 after being re-elected as one of the Supervisors of the fourth session of the supervisory committee of the Company. This contract ended on 8 January 2010 after he resigned as a Supervisor. Mr. Zhang entered into a director service contract with the Company on the same date after he was appointed as an executive Director.

Mr. Li Ming Chun entered into a director service contract with the Company on 20 May 2009 after being appointed as a new Director of the fourth session of the Board. This contract ended on 8 January 2010 after he resigned as a Director. Mr. Li entered into a supervisor service contract with the Company on the same date after he was appointed as a Supervisor.

The service contracts of Mr. Zhang and Mr. Li will end on the date of the 2011 AGM of the Company to be convened in 2012.

Save as disclosed above, none of the Directors has any existing or proposed service contracts with any member of the Group as at the Latest Practicable Date, excluding contracts expiring or determinable by the Company or any of its subsidiaries within one year without payment of compensation other than statutory compensation.

5. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares 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 who was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (if any) or had any options in respect of such capital:

Long positions in Shares:

	Name	Note	Capacity and nature of interests	Number of ordinary shares held	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
1.	Peking University	*(a)*	Through controlled corporations	310,000,000	44.29%	NA	26.16%
2.	Beida Asset Management Co., Ltd.	*(a)*	Through controlled corporations	310,000,000	44.29%	NA	26.16%
3.	Beijing Beida Jade Bird Software System Co., Ltd.	*(a),(c)*	Directly beneficially owned and through a controlled corporation	310,000,000	44.29%	NA	26.16%
4.	Beijing Beida Jade Bird Limited	*(a),(b)*	Directly beneficially owned and through a controlled corporation	200,000,000	28.57%	NA	16.88%
5.	Hang Zhou Beida Jade Bird Sci-Tech Co., Ltd.	*(a)*	Directly beneficially owned	85,000,000	12.14%	NA	7.17%
6.	Heng Huat Investments Limited	*(d)*	Through a controlled corporation	205,414,000	29.34%	NA	17.34%
7.	Dynamic Win Assets Limited	*(d)*	Directly beneficially owned	205,414,000	29.34%	NA	17.34%
8.	Mr. Xu Zhen Dong	*(e)*	Trustee and beneficiary of trust	205,414,000	29.34%	NA	17.34%
9.	Mongolia Energy Corporation Limited	*(f)*	Through a controlled corporation	84,586,000	12.08%	NA	7.14%
10.	New View Venture Limited	*(f)*	Directly beneficially owned	84,586,000	12.08%	NA	7.14%
11.	Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	NA	4.22%
12.	Taifook Securities Company Limited	*(g)*	Directly beneficially owned	80,800,000	NA	16.67%	6.82%
13.	Taifook Finance Company Limited	*(g)*	Through a controlled corporation	80,800,000	NA	16.67%	6.82%
14.	Taifook (BVI) Limited	*(g)*	Through controlled corporations	80,800,000	NA	16.67%	6.82%

Remarks: NA represents "not applicable"

Notes:

(a) Peking University is taken to be interested in 26.16% of the total issued share capital of the Company through the following companies:

(i) 85 million Shares (representing approximately 7.17% of the Company's total issued share capital) held by HZ Jade Bird, which is beneficially owned by Peking University;

(ii) 110 million Shares (representing approximately 9.28% of the Company's total issued share capital) held by 北京北大青鳥軟件系統有限公司 (Beijing Beida Jade Bird Software System Co., Ltd.) ("JB Software") itself, which is 48% beneficially owned by Peking University; and

(iii) 115 million Shares (representing approximately 9.71% of the Company's total issued share capital) held by Beida Jade Bird itself, which is beneficially owned by Peking University.

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

On 21 January 2008, the Company was notified by JB Software that it entered into a share transfer agreement with HZ Jade Bird on 18 January 2008 whereas it agreed to transfer to HZ Jade Bird 110 million Shares subject to approval by 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council). The transfer was approved and will be effective upon completion of registration in Administration for Industry & Commerce and Bureau of Commerce.

On 3 November 2009, the Company was notified by HZ Jade Bird that it entered into a share transfer agreement with Beida High Technology on the same date whereas it agreed to transfer to Beida High Technology 85 million Shares. Beida High Technology is 80% beneficially owned by Guangzhou Beida Jade Bird BIS Co., Ltd. while the latter is 80% beneficially owned by Beida Jade Bird. The transfer will be effective upon completion of registration in Administration for Industry & Commerce and Bureau of Commerce.

(b) The interests of Beida Jade Bird comprise 115 million Shares held by itself and 85 million Shares held by HZ Jade Bird, which is 80% beneficially owned by Beida Jade Bird.

(c) The interests of JB Software comprise 110 million Shares held by itself and 200 million Shares held by Beida Jade Bird, which is 46% beneficially owned by JB Software.

(d) The Shares are held by Dynamic Win, which is wholly-owned by Heng Huat.

(e) Mr. Xu Zhen Dong is taken to be interested in the Shares through his interests as beneficiary of Heng Huat Trust. Details of the nature of his interests are set out in note (a) of the section "Interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares and underlying shares of the Company and its associated corporations" on page 34.

(f) The Shares are held by New View Venture Limited, which is wholly owned by Mongolia Energy Corporation Limited.

(g) The Shares are held by Taifook Securities Company Limited, which is directly wholly owned by Taifook Finance Company Limited and indirectly wholly owned by Taifook (BVI) Limited.

Save as disclosed above, no person, other than the Directors and Supervisors, whose interests are set out in the section "Interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares and underlying shares of the Company and its associated corporations" above on pages

32 to 34, had registered interests or short position in the Shares or underlying Shares that was required to be recorded pursuant to section 336 of the SFO as at the Latest Practicable Date.

6. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors, the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had interests in a business which competes or may compete with the businesses of the Group, or may have any conflicts of interest with the Group pursuant to the GEM Listing Rules.

7. WORKING CAPITAL

The Directors are of the opinion that, taking into account the internal resources available and the expected proceeds from the Proposed Disposal, and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements within twelve months from the date of this circular.

8. INDEBTEDNESS

As at the close of business on 31 March 2010, being the latest practicable date for ascertaining information regarding this indebtedness statement, the Group had aggregate outstanding indebtedness of approximately RMB90.5 million. The indebtedness comprised (i) amount due to a shareholder of the Company of approximately RMB2.1 million; (ii) amount due to related parties of the Group of approximately RMB3.3 million; (iii) bank loan of approximately RMB10.0 million; (iv) amount due to non-controlling interests of the Company of approximately RMB5.0 million; (v) current tax liabilities of approximately RMB65.9 million and (vi) deferred tax liabilities of approximately RMB4.2 million. Amounts due to the shareholder and the related parties are unsecured, interest-free and have no fixed repayment terms. Bank loan is secured by a pledge over certain property, plant and equipment of the Group, interest-bearing at floating rates and repayable within one year. Amount due to non-controlling interests of the Company is unsecured, interest-bearing at 4.9% per annum and repayable within one year. Current tax liabilities are enterprise income tax provided for on assessable profits arising in the PRC. Deferred tax liabilities are solely related to available-for-sale financial assets of the Group.

Save as aforesaid or as otherwise mentioned in this circular and apart from intragroup liabilities, normal trade payables, advances from customers and accruals and other payables as at 31 March 2010, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but un-issued term loans or other borrowings, indebtedness in nature of borrowings, liabilities under acceptance (other than trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, un-guaranteed, secured, unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 31 March 2010.

Save as aforesaid or as otherwise mentioned in this circular, the Directors confirmed that there has been no material change in the indebtedness or contingent liabilities of the Group since the Latest Practicable Date.

9. LITIGATION

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

10. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert whose advice or opinion is contained in this circular:

Name	Qualification
RSM Nelson Wheeler	Certified Public Accountants

RSM Nelson Wheeler has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, RSM Nelson Wheeler was not interested in any Share or share in any member of the Group nor did it has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group.

As at the Latest Practicable Date, RSM Nelson Wheeler did not have any direct or indirect interests in any asset which had been since the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

11. GENERAL

(a) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

(b) The principal place of business of the Company in the PRC is at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC.

(c) The principal place of business of the Company in Hong Kong is at Unit 02, 7th Floor, Asia Pacific Centre, 8 Wyndham Street, Central, Hong Kong.

(d) The share registrar and transfer office of the Company is Hong Kong Registrars Limited at Room 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(e) The compliance officer of the Company is Mr. Zhang Wan Zhong. Mr. Zhang was graduated from Peking University with a master degree in science. He is an executive Director and the president of the Company.

(f) The company secretary of the Company is Mr. Leung Wai Man. Mr. Leung is a fellow member of Association of Chartered Certified Accountants and an associate member of each of Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

(g) The Company has set up an audit committee pursuant to Rule 5.28 of the GEM Listing Rules and provided written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules. The primary duties of the audit committee include monitoring the financial reporting system and internal control procedure of the Group, reviewing financial information, and advising the Board on engagement and independence of external auditors. The audit committee comprises three members. The chairman is 南相浩教授 (Professor Nan Xiang Hao). The two members are 蔡傳炳先生 (Mr. Cai Chuan Bing) and 林岩先生 (Mr. Lin Yan). All of them are independent non-executive Directors. Professor Nan is a part-time professor of the Graduate University of Chinese Academy of Science. Mr. Cai is the chairman of the communications branch of China Institute of Internal Audit. He is also an independent non-executive director of Yue Da Mining Holdings Limited whose shares are listed on the Stock Exchange. Mr. Lin was qualified as a PRC solicitor for securities of the first batch in 1993 and is a solicitor and a partner of Beijing Xinghe Law Firm.

12. MATERIAL CONTRACTS

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

1. a HK$ term loan facility agreement in a maximum aggregate amount of HK$110 million for a period of six months entered into between Expert China Investments Limited as borrower and BJBU Development as lender on 21 April 2010; and

2. two HK$ senior secured term loan facility agreements in a maximum amount of HK$83 million and HK$28.4 million respectively entered into between Best Chance Holdings Limited as borrower and BJBU Development as lender on 29 May 2008.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents (and English translations thereof, if appropriate) will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the Hong Kong principal place of business of the Company from the date of this circular up to and including the date of the AGM of the Company:

(a) articles of association of the Company;

(b) service contracts of the Directors referred to in the section "Directors' Service Contracts" in Appendix IV;

(c) material contracts referred to in the section "Material Contracts" in Appendix IV;

(d) letter from RSM Nelson Wheeler regarding accountant's report on unaudited pro forma financial information, the text of which is set out on pages 16 to 17 of this circular;

(e) written consent from RSM Nelson Wheeler referred to in the section headed "Qualifications and Consent of Expert" in Appendix IV;

(f) annual report of the Company for each of the year ended 31 December 2009 and 2008; and

(g) this circular.

青鳥環宇
JADE BIRD UNIVERSAL

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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2009 annual general meeting ("**AGM**") of Beijing Beida Jade Bird Universal Sci-Tech Company Limited ("**the Company**") will be held at Room 312, Block A, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the People's Republic of China ("**PRC**") on Wednesday, 30 June 2010 at 10:30 a.m. for the following purposes:

I. As ordinary resolutions:

"THAT

1. The report of the directors of the Company for the year ended 31 December 2009 be approved;

2. The report of the supervisory committee of the Company for the year ended 31 December 2009 be approved;

3. The audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2009 be approved;

4. The proposal of no final dividend payment for the year ended 31 December 2009 be approved;

5. The appropriation to statutory surplus reserve for the year ended 31 December 2009 be approved;

6. Election of Mr. Zou Zhi Xing as supervisor of the Company and authorization to the board of directors of the Company to enter into service contract and deal with relative matters with Mr. Zou, including but not limited to, signing of service contract and supplementary contracts be approved;

7. **there be granted to the board of directors of the Company a disposal mandate to dispose of 243,163,400 ordinary shares of Semiconductor Manufacturing International Corporation ("AFS SMIC Shares"), subject to the following terms:**

   (1) the Company and its subsidiaries will dispose of the AFS SMIC Shares in the open market through the trading system of the Stock Exchange of Hong Kong Limited;

(2) the selling price of any AFS SMIC Share to be disposed of will be its market price at relevant times subject to a minimum price of HK$0.590; and

(3) the disposal mandate is for a twelve calendar month period starting from the date this resolution is duly passed;

8. The remuneration proposal for directors and supervisors of the Company for the year ended 31 December 2010 be approved;

9. The proposal for re-appointment of RSM Nelson Wheeler as independent auditor of the Company for the year ended 31 December 2010 and authorisation to the board of directors of the Company to fix its remuneration be approved"; and

II. As special resolution:

1. "THAT

(1) there be granted to the board of directors of the Company an unconditional general mandate to issue, allot and deal with additional shares in the capital of the Company, whether Domestic Shares or H Shares, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

(a) such mandate shall not extend beyond the Relevant Period save that the board of directors of the Company may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;

(b) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the board of directors of the Company shall not exceed:

(i) 20 per cent of the aggregate nominal amount of Domestic Shares in issue; and

(ii) 20 per cent of the aggregate nominal amount of H Shares in issue,

in each case as at the date of this resolution; and

(c) the board of directors of the Company will only exercise its power under such mandate in accordance with the Company Law of the PRC and Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as the same may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained.

For the purposes of this resolution:

"Domestic Shares" means the domestic invested shares in the share capital of the Company with a par value of RMB0.1 each, which are held in Renminbi by PRC investors and certain promoters of the Company;

"H Shares" means the overseas-listed foreign invested shares in the share capital of the Company with a par value of RMB0.1 each, which are subscribed for and traded in Hong Kong dollars;

"Relevant Period" means the period from the passing of this resolution until the earliest of:

(i) the conclusion of the next AGM of the Company following the passing of this resolution; or

(ii) the expiration of the twelve month period following the passing of this resolution; or

(iii) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting; and

(2) contingent on the board of directors of the Company resolving to issue shares pursuant to sub-paragraph (1) of this resolution, the board of directors of the Company be authorised to:

(a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including, without limitation, the time and place of the issue, making all necessary applications to the relevant authorities and entering into an underwriting agreement (or any other agreement);

(b) to determine the use of proceeds and to make all necessary filings and registrations with the relevant authorities in the PRC, Hong Kong and others; and

(c) to increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, to register the increased capital with the relevant authorities in the PRC and to make such amendments to the Articles of Association of the Company as it thinks fit so as to reflect the increase in registered capital of the Company."

By order of the board of directors
Chu Yu Guo
Chairman

Beijing, the PRC
4 May 2010

Notes:

(A) The register of holders of H Shares will be closed from Monday, 31 May 2010 to Wednesday, 30 June 2010 (both days inclusive) during which period no transfer of H 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, 28 May 2010 and have completed the registration process will be entitled to attend the AGM.

The address of Hong Kong Registrars Limited is as follows:
Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queens Road East, Hong Kong (Fax no: 852-2865-0990)

(B) Holders of promoters Shares or H Shares who intend to attend the AGM must complete the reply slips for attending the AGM and return them to Hong Kong Registrars Limited at the address set out above (for holders of H Shares) or to the principal place of business of the Company in Beijing (for promoters Shares) not later than 20 days before the date of the AGM, i.e. no later than 4:30 p.m. on Thursday, 10 June 2010.

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)

(C) Each holder of H Shares who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his/her behalf at the AGM.

(D) The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.

(E) The form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Hong Kong Registrars Limited, the address of which is set out in Note (A) above, not less than 24 hours before the time for holding the AGM or any adjournment thereof in order for such documents to be valid.

(F) Each holder of promoters Shares is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his/her behalf at the AGM. Notes (C) to (D) also apply to holders of promoters Shares, except that the form of proxy or other documents of authority must be delivered to the principal place of business of the Company in Beijing, the address of which is set out in Note (B) above, not less than 24 hours before the time for holding the AGM or any adjournment thereof in order for such documents to be valid.

(G) If a proxy attends the AGM on behalf of a shareholder, he/she should produce his/her identity card and the instrument signed by the proxy or his/her legal representative, and specifying the date of its issuance. If a legal person shareholder appoints its corporate representative to attend the AGM, such representative should produce his/her identity card and the notarised copy of the resolution passed by the board of directors or other authorities or other notarised copy of the licence issued by such legal person shareholder.

(H) The AGM is expected to last for half a day. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.