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

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF INTEREST IN SONGYA LAKE CONSTRUCTION

The Board announces that on 30 May 2011, Chuanqi Tourism, a direct wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement, pursuant to which, Chuanqi Tourism has conditionally agreed to acquire, and Beida High Technology has conditionally agreed to sell, the Sale Interest, representing 46.6% of the registered capital of Songya Lake Construction, at the Consideration of RMB53 million, and Chuanqi Tourism also agreed to provide the Shareholder's Loan with an amount of no more than RMB40 million to Songya Lake Construction for its working capital purpose.

As at the date of this announcement, Beida High Technology is beneficially owned by Peking University, which is a substantial Shareholder given its 26.16% interest in the total issued share capital of the Company. Accordingly, Beida High Technology is a connected person of the Company under the GEM Listing Rules and the Acquisition constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules which is subject to approval of the Independent Shareholders. The Acquisition also constitutes a discloseable transaction for the Company pursuant to Chapter 19 of the GEM Listing Rules.

A circular containing, among other things, details of the Equity Transfer Agreement, a letter of recommendation from the Independent Board Committee regarding the Equity Transfer Agreement and the Acquisition to the Independent Shareholders and a letter from the independent financial adviser containing its advice to the Independent Board Committee on the Equity Transfer Agreement and the Acquisition is expected to be dispatched to the Shareholders on or before 21 June 2011 in accordance with the GEM Listing Rules.

BACKGROUND

The Board announces that on 30 May 2011, Chuanqi Tourism, a direct wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement, pursuant to which, Chuanqi Tourism has conditionally agreed to acquire, and Beida High Technology has conditionally agreed to sell, the Sale Interest, representing 46.6% of the registered capital of Songya Lake Construction, at the Consideration of RMB53 million, and Chuanqi Tourism also agreed to provide the Shareholder's Loan (as detailed below) with an amount no more than RMB40 million to Songya Lake Construction for its working capital purpose.

THE EQUITY TRANSFER AGREEMENT

Date

30 May 2011

Parties

Vendor: Beida High Technology

As at the date of this announcement, Beida High Technology is beneficially owned by Peking University, which is a substantial Shareholder given its 26.16% interest in the total issued share capital of the Company. Accordingly, Beida High Technology is an associate of Peking University and thus a connected person of the Company under the GEM Listing Rules.

Purchaser: Chuanqi Tourism, a direct wholly-owned subsidiary of the Company

Assets to be acquired

The Sale Interest, representing 46.6% of the registered capital of Songya Lake Construction.

Consideration

The consideration (the "**Consideration**") for the Acquisition is RMB53 million and was determined after arm's length negotiations between the parties to the Equity Transfer Agreement with reference to the appraised value of Songya Lake Construction by an independent valuer registered in the PRC attributable to the Sale Interest as at 30 April 2011, being approximately RMB57.9 million.

The registered capital of Songya Lake Construction contributed by Beida High Technology amounted to RMB49 million up to the date of the Equity Transfer Agreement.

The Consideration will be settled by the Group with its internal resources within 5 working days upon the Equity Transfer Agreement becoming effective.

Shareholder's Loan

Subject to the Equity Transfer Agreement becoming effective, Chuanqi Tourism agreed to provide an interest-free shareholder's loan (the "**Shareholder's Loan**") with an amount of no more than RMB40 million to Songya Lake Construction for its working capital purpose.

The Shareholder's Loan will be paid by the Group with its internal resources upon request by Songya Lake Construction after completion of transfer of the Sale interest to Chuanqi Tourism.

Conditions

The Equity Transfer Agreement becomes effective upon the fulfillment of the following conditions:

- (i) the Equity Transfer Agreement being duly signed by legal representative(s) or authorized representative(s) of each of Chuanqi Tourism and Beida High Technology and stamped by their respective official company stamps;
- (ii) Songya Lake Construction having obtained approval of the Acquisition from its shareholders;
- (iii) Beida High Technology having obtained approval of the Acquisition from its shareholders;
- (iv) Chuanqi Tourism having obtained approval of the Acquisition from its shareholders;
- (v) the Company, being the controlling shareholder of Chuanqi Tourism, having obtained approval of the Acquisition from the Board and the Shareholders; and
- (vi) all necessary approvals and/or consents (if any) from the relevant authorities in the PRC in respect of the Equity Transfer Agreement and the transactions contemplated thereunder having been obtained.

If any of the above conditions is not fulfilled within twelve months from the date of the Equity Transfer Agreement, the Equity Transfer Agreement will be terminated automatically. In such event, no party will have any claim against or liability to the other save for any antecedent breaches of the Equity Transfer Agreement.

INFORMATION ON SONGYA LAKE CONSTRUCTION

Songya Lake Construction was established in the PRC on 24 October 2003. Pursuant to a letter issued by 長沙縣人民政府 (Changsha County People's Government[#], "**County Government**") dated 9 February 2010, Songya Lake Construction completed a corporate restructuring by stripping off its assets and liabilities on 16 April 2010. Songya Lake Construction's registered capital amounted to RMB105.15 million as at the date of this announcement.

As at the date of this announcement, Beida High Technology held 46.6% interest in Songya Lake Construction and 長沙縣星城建設投資有限公司 (Changsha Star City Construction Investment Co., Ltd.[#]), which is under the supervision of County Government, held 48.5% interest in Songya Lake Construction. The remaining 4.9% interest in Songya Lake Construction was held by a third party independent of the Company and its connected persons.

According to the audited financial statements prepared in accordance with the PRC financial reporting standards, during the period from 16 April 2010 (being the effective date of the aforementioned corporate restructuring) to 31 December 2010, the audited net profit before and after tax of Songya Lake Construction was approximately RMB771,500 and RMB479,900 respectively. As at 31 December 2010, the audited net assets value of Songya Lake Construction was approximately RMB80.5 million and Songya Lake Construction had a shareholder's loan owed to Beida High Technology with an amount of RMB100 million.

The approved business scope of Songya Lake Construction includes, among others, investment and development in harbour, airport and traffic projects, investment in tourism and high technology industries, land development under the PRC laws and regulations, urban infrastructure project development and hotel business.

As at the date of this announcement, Songya Lake Construction is mainly designated by County Government to provide construction service for an infrastructure project (the "**Chenghu Project**") and to provide primary land development service (the "**Huanhu Project**") according to a cooperation agreement (the "**Cooperation Agreement**") entered into between Beida High Technology and County Government on 28 November 2009.

Information in relation to the Chenghu Project

Under the Cooperation Agreement, Songya Lake Construction shall enter into separate construction contract(s) with County Government (or its nominee(s)) after the former obtains the required qualification as a project construction agent under the relevant laws and regulations in the PRC.

Songya Lake Construction shall be responsible for the construction of landscape architectures centered on the Songya Lake located at Xing Sha, Changsha County, Hunan Province, the PRC, and the construction of roads in relation thereto with a total length of 8,700 meters. Songya Lake Construction will be responsible for funding the construction cost in connection with the Chenghu Project which shall be borne by County Government through the income generated from the Huanhu Project (details of which are set out below). Such cost shall be paid back to Songya Lake Construction and County Government shall pay to Songya Lake Construction a construction service fee annually which shall be equal to 5% of the audited actual construction cost incurred in the immediately preceding year.

As at the date of this announcement, no such construction contract(s) was entered into.

Information in relation to the Huanhu Project

On 13 May 2011, Songya Lake Construction entered into the primary land development contract (the “**Land Development Contract**”) with Changsha County Land Reserve Center, which was designated by County Government, for developing a piece of land with a total area of approximately 5,000 mu located at Xing Sha, Changsha County, Hunan Province, the PRC (the “**Subject Land**”).

Under the Land Development Contract, Songya Lake Construction shall be responsible for works including, among others, demolition, relocation and municipal infrastructure construction for the Subject Land in accordance with, among others, the overall land use planning and the urban planning. Songya Lake Construction shall be responsible for funding the development cost (the “**Land Development Cost**”). Land Development Cost shall be paid back to Songya Lake Construction through the revenue of Subject Land use right assignment to be generated by County Government.

Songya Lake Construction shall be entitled to the net income arising from the assignment of the use right of the Subject Land on the following basis:

- (i) 30% of 標定地價 (marked price of land[#]), which is a state guidance price for the land use right stipulated by the relevant authority based on, among others, the prevailing market conditions, after deducting the Land Development Cost; and
- (ii) 70% of the excess of the final bid price for the Subject Land over the marked price of land.

In case that certain portion of the Subject Land is used for 劃撥用地 (administrative allocation[#]), Songya Lake Construction shall be entitled to the excess of the price for the land administrative allocation over the government reserves as stipulated in the PRC laws and regulations.

In any event, Songya Lake Construction shall be entitled to a minimum return of the 8% of the audited Land Development Cost incurred in the immediately preceding year.

Save for the Chenghu Project and the Huanhu Project, Songya Lake Construction has not been involved in other business as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the research, development, manufacture, marketing and sale of wireless fire alarm systems and related products, the provision of network security outsource services and manufacture and sale of network security products, and development of travel and leisure business.

Chuanqi Tourism is principally engaged in exploration and development of travel and leisure business.

Beida High Technology is principally engaged in investment holding.

After Completion, the Company will indirectly own 46.6% equity interest in Songya Lake Construction through Chuanqi Tourism.

The Group has provided environmental bus service in Hengshan, Hunan Province, the PRC. According to the initial statistics compiled by Hunan Statistics Bureau, the province witnessed the growth in its gross domestic products and annual disposable income per capita of urban households in 2010 which amounted to approximately RMB1,590 billion and RMB16,566 respectively, representing a year-on-year (“YoY”) growth of approximately 14.5% and approximately 9.8% respectively. In 2010, total investment in fixed assets of the province increased to approximately RMB982 billion, representing a YoY growth of approximately 27.6%. Total investment in the real estate development increased to approximately RMB147 billion, representing a YoY growth of approximately 35.5%. In light of the aforesaid, the Directors (excluding the independent non-executive Directors who will express their views in the circular after considering the advice from the independent financial adviser) believe in the development potential of Hunan Province in the long term and thus consider that the Acquisition would benefit the Company by expanding its revenue base and also provide the Company with an opportunity to enjoy the development of the province in the future.

The terms of the Equity Transfer Agreement are determined after arm’s length negotiations between the parties and the Directors (excluding the independent non-executive Directors who will express their views in the circular after considering the advice from the independent financial adviser) are of the view that the terms of the Equity Transfer Agreement are on normal commercial terms and fair and reasonable as far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this announcement, Beida High Technology is beneficially owned by Peking University, which is a substantial Shareholder given its 26.16% interest in the total issued share capital of the Company. Accordingly, Beida High Technology is a connected person of the Company under the GEM Listing Rules and the Acquisition constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules which is subject to approval of the Independent Shareholders. The Acquisition also constitutes a discloseable transaction for the Company pursuant to Chapter 19 of the GEM Listing Rules.

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DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“Acquisition”	the conditional acquisition of the Sale Interest on terms and conditions set out in the Equity Transfer Agreement
“Beida High Technology”	北京北大高科技產業投資有限公司 (Beijing Beida High Technology Investment Co., Ltd.#), a limited liability company established in the PRC
“Board”	the board of the Directors
“Chuanqi Tourism”	傳奇旅遊投資有限公司 (Chuanqi Tourism Investment Co., Ltd.#), a direct wholly-owned subsidiary of the Company as at the date of this announcement
“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
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the conditional equity transfer agreement entered into between Beida High Technology and Chuanqi Tourism dated 30 May 2011 in respect of the Acquisition
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee which will be established and will comprise all the independent non-executive Directors for the purpose of advising the Independent Shareholders in relation to the Equity Transfer Agreement and the transactions contemplated thereunder

“Independent Shareholders”	the Shareholders who have no material interest in the Equity Transfer Agreement and the transactions contemplated thereunder
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Sale Interest”	46.6% of the registered capital of Songya Lake Construction
“Shareholder(s)”	holder(s) of shares of HK\$0.1 each in the share capital of the Company
“Songya Lake Construction”	長沙松雅湖建設投資有限公司 (Changsha Songya Lake Construction Investment Co., Ltd [#]), a limited liability company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Beijing, the PRC,

30 May 2011

As at the date of this announcement, Mr. Zhang Wanzhong, Ms. Xue Li and Mr. Zhang Yongli are executive Directors, Mr. Chu Yuguo, Mr. Xu Zhixiang, Mr. Liu Yongjin and Ms. Feng Ping are non-executive Directors and Professor Nan Xianghao, Mr. Cai Chuanbing and Mr. Lin Yan are independent non-executive Directors.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

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