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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)**

## **CONNECTED TRANSACTIONS**

On 7 March 2014 (after trading hours), Jade Bird Fire Alarm (a non-wholly owned subsidiary of the Company) and Jade Bird Security Systems entered into (1) the Software Development Agreement, pursuant to which Jade Bird Security Systems is engaged by Jade Bird Fire Alarm to develop the Management Software at the consideration of RMB1,500,000 subject to and upon the terms contained in the Software Development Agreement; and (2) the Copyright Transfer Agreements, pursuant to which Jade Bird Security Systems would transfer to Jade Bird Fire Alarm (a) the ownership of the copyright of the CRT Fire Monitoring Software in the PRC; and (b) the ownership of the copyright of the Long Distance Fire Monitoring Software in the PRC, at the considerations of RMB1,190,000 and RMB2,210,000 respectively subject to and upon the terms contained in the Copyright Transfer Agreements.

Jade Bird Security Systems is a connected person of the Company. Accordingly, the transactions contemplated under the Software Development Agreement and the Copyright Transfer Agreements constitute the connected transactions of the Company under Chapter 20 of the GEM Listing Rules. As the applicable percentage ratios for the Software Development Agreement and the Copyright Transfer Agreements, when aggregated, are more than 0.1% but less than 5%, the transactions contemplated under the Software Development Agreement and the Copyright Transfer Agreements are subject to the reporting and announcement requirements, but are exempted from the independent Shareholders' approval requirement under the GEM Listing Rules.

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### **(1) SOFTWARE DEVELOPMENT AGREEMENT**

A summary of the principal terms of the Software Development Agreement is set out below:

#### **Date**

7 March 2014

#### **Parties**

- (1) Jade Bird Fire Alarm; and
- (2) Jade Bird Security Systems.

Jade Bird Security Systems is an indirect subsidiary of Beida Jade Bird, a substantial Shareholder who had (direct and indirect) interest in 200,000,000 promoters shares of RMB0.1 each as at the date of this announcement. Jade Bird Security Systems is therefore an associate of Beida Jade Bird and a connected person of the Company under the GEM Listing Rules. Jade Bird Security Systems is principally engaged in security and protection engineering projects as well as production and sales of computer software, hardware and peripheral equipment.

## **Duration**

The development of the Management Software shall be completed and the results of which (including but not limited to all source codes, technical files, user's guideline and operation manual) should be delivered within three months from the date of the Software Development Agreement.

Jade Bird Fire Alarm shall complete the examination procedures within 30 Working Days after the installation of the Management Software.

The quality assurance period ("**Quality Assurance Period**") shall be three years commencing from the date on which Jade Bird Fire Alarm confirms its acceptance of the Management Software after the examination procedures.

## **Nature of transaction**

Pursuant to the Software Development Agreement, Jade Bird Security Systems is engaged by Jade Bird Fire Alarm to develop the Management Software (a software designed for the central management of fire safety systems at various locations and would be for resale by Jade Bird Fire Alarm), and to provide ancillary training and technical support in relation to the Management Software to Jade Bird Fire Alarm.

Jade Bird Fire Alarm shall be the owner of all the intellectual properties in relation to the development of the Management Software (including the Management Software itself and all the technologies developed therefrom).

During the Quality Assurance Period, if there is any technical upgrade to the operation and maintenance of the Management Software, Jade Bird Security Systems shall promote such technical upgrade to Jade Bird Fire Alarm and provide the relevant technical information in detail to Jade Bird Fire Alarm for free.

## **Consideration and payment terms**

The consideration payable by Jade Bird Fire Alarm in respect of the Software Development Agreement is RMB1,500,000, which is inclusive of the expenses required for the development of the Management Software and the fees charged for provision of Management Software related technical services, such as repair and maintenance and training, and shall be settled in cash in the following manner:

- (a) 30%, i.e. RMB450,000, shall be paid within 10 Working Days from the date of signing the Software Development Agreement;

- (b) 50%, i.e. RMB750,000, shall be paid within 10 Working Days after Jade Bird Fire Alarm confirming its acceptance of the Management Software after the examination procedure and having received the corresponding invoice, acceptance certificate signed by the parties to the Software Development Agreement and all technical information; and
- (c) 20%, i.e. RMB300,000, shall be paid within 10 Working Days after completion of the ancillary training in relation to the Management Software to the staff of Jade Bird Fire Alarm.

The consideration of the Software Development Agreement was determined after arm's length negotiations between Jade Bird Fire Alarm and Jade Bird Security Systems with reference to the costs involved and the prevailing market prices of similar works charged by other software development companies in developing similar software.

## **(2) COPYRIGHT TRANSFER AGREEMENTS**

### **(a) Copyright Transfer Agreement A**

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

#### **Date**

7 March 2014

#### **Parties**

- (1) Jade Bird Fire Alarm; and
- (2) Jade Bird Security Systems.

#### **Nature of transaction**

Pursuant to the Copyright Transfer Agreement A, Jade Bird Security Systems agreed to transfer the ownership of the copyright of the CRT Fire Monitoring Software in the PRC to Jade Bird Fire Alarm and to provide all relevant technical support to Jade Bird Fire Alarm at the consideration of RMB1,190,000.

It is agreed by the parties that Jade Bird Fire Alarm would become the owner of the copyright of the CRT Fire Monitoring Software in the PRC from the date of the Copyright Transfer Agreement A, and Jade Bird Security Systems shall assist Jade Bird Fire Alarm to complete the procedure for change of ownership of copyright of the CRT Fire Monitoring Software in the PRC within 15 days from the date of the Copyright Transfer Agreement A.

### **Consideration and payment terms**

The consideration payable by Jade Bird Fire Alarm in respect of the Copyright Transfer Agreement A is RMB1,190,000, which shall be settled in cash in the following manner:

- (a) 30% of the consideration, i.e. RMB357,000, shall be paid within 10 Working Days from the date of signing the Copyright Transfer Agreement A;
- (b) 50% of the consideration, i.e. RMB595,000, shall be paid within 10 Working Days after Jade Bird Fire Alarm having received and confirming the contents of all source codes and copyrights of the CRT Fire Monitoring Software; and
- (c) 20% of the consideration, i.e. RMB238,000, shall be paid within 10 Working Days after completion of the ancillary training in relation to the delivered documents to the staff of Jade Bird Fire Alarm.

The consideration of the Copyright Transfer Agreement A was determined after arm's length negotiations between Jade Bird Fire Alarm and Jade Bird Security Systems with reference to the valuation of the CRT Fire Monitoring Software as at 30 November 2013 of approximately RMB1,190,000 as valued by an independent professional valuer, using cost method.

### **(b) Copyright Transfer Agreement B**

A summary of the principal terms of the Copyright Transfer Agreement B is set out below:

#### **Date**

7 March 2014

#### **Parties**

- (1) Jade Bird Fire Alarm; and
- (2) Jade Bird Security Systems.

## **Nature of transaction**

Pursuant to the Copyright Transfer Agreement B, Jade Bird Security Systems agreed to transfer the ownership of the copyright of the Long Distance Fire Monitoring Software in the PRC to Jade Bird Fire Alarm and to provide all relevant technical support to Jade Bird Fire Alarm at the consideration of RMB2,210,000.

It is agreed by the parties that Jade Bird Fire Alarm would become the owner of the copyright of the Long Distance Fire Monitoring Software in the PRC from the date of the Copyright Transfer Agreement B, and Jade Bird Security Systems shall assist Jade Bird Fire Alarm to complete the procedure for change of ownership of copyright of the Long Distance Fire Monitoring Software in the PRC within 30 days from the date of the Copyright Transfer Agreement B.

## **Consideration and payment terms**

The consideration payable by Jade Bird Fire Alarm in respect of the Copyright Transfer Agreement B is RMB2,210,000, which shall be settled in cash in the following manner:

- (a) 30% of the consideration, i.e. RMB663,000, shall be paid within 10 Working Days from the date of signing the Copyright Transfer Agreement B;
- (b) 50% of the consideration, i.e. RMB1,105,000, shall be paid within 10 Working Days after Jade Bird Fire Alarm having received and confirming the contents of all source codes and copyrights of the Long Distance Fire Monitoring Software; and
- (c) 20% of the consideration, i.e. RMB442,000, shall be paid within 10 Working Days after completion of the ancillary training in relation to the delivered documents to the staff of Jade Bird Fire Alarm.

The consideration of the Copyright Transfer Agreement B was determined after arm's length negotiations between Jade Bird Fire Alarm and Jade Bird Security Systems with reference to the valuation of the Long Distance Fire Monitoring Software as at 30 November 2013 of approximately RMB2,210,000 as valued by an independent professional valuer, using cost method.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SOFTWARE DEVELOPMENT AGREEMENT AND THE COPYRIGHT TRANSFER AGREEMENTS**

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

The Directors believe that Jade Bird Security Systems possesses the expertise and experience in developing the Management Software and hence would be able to complete the works under the Software Development Agreement. The Directors also believe that the development of the Management Software and the acquisition of the copyrights of the CRT Fire Monitoring Software and the Long Distance Fire Monitoring Software would enable the Group to diversify its product range.

In light of the above, the Directors consider that the terms of each of the Software Development Agreement and the Copyright Transfer Agreements, which are determined after arm's length negotiations between Jade Bird Fire Alarm and Jade Bird Security Systems, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save that Ms. Zheng Zhong, the non-executive Director, is also a director of Jade Bird Security Systems, and had abstained from voting in the relevant Board resolutions approving the transactions contemplated under the Software Development Agreement and the Copyright Transfer Agreements, no other Director has a material interest in the transactions contemplated under the Software Development Agreement and the Copyright Transfer Agreements, none of them are required to abstain from voting on the board resolutions relating thereto.

## **LISTING RULES IMPLICATIONS**

As stated above, Jade Bird Security Systems is a connected person of the Company. Accordingly, the transactions contemplated under the Software Development Agreement and the Copyright Transfer Agreements constitute the connected transactions of the Company under Chapter 20 of the GEM Listing Rules. As the applicable percentage ratios for the Software Development Agreement and the Copyright Transfer Agreements, when aggregated, are more than 0.1% but less than 5%, the transactions contemplated under the Software Development Agreement and the Copyright Transfer Agreements are subject to the reporting and announcement requirements, but are exempted from the independent Shareholders' approval requirement under the GEM Listing Rules.

## DEFINITIONS

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

|                                  |   |
|----------------------------------|---|
| “Beida Jade Bird”                | 北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited <sup>#</sup> ), a limited liability company established in the PRC and a substantial Shareholder  |
| “Board”                          | the board of Directors  |
| “Company”                        | 北京北大青鳥環宇科技股份有限公司 (Beijing Beida Jade Bird Universal Sci-Tech Company Limited), a joint stock limited company incorporated in the PRC with limited liability with its H Shares listed on GEM   |
| “connected person(s)”            | has the meaning ascribed to it under the GEM Listing Rules  |
| “Copyright Transfer Agreement A” | the copyright transfer agreement dated 7 March 2014 and entered into between Jade Bird Fire Alarm and Jade Bird Security Systems in relation to the transfer of the ownership of the copyright of the CRT Fire Monitoring Software in the PRC           |
| “Copyright Transfer Agreement B” | the copyright transfer agreement dated 7 March 2014 and entered into between Jade Bird Fire Alarm and Jade Bird Security Systems in relation to the transfer of the ownership of the copyright of the Long Distance Fire Monitoring Software in the PRC |
| “Copyright Transfer Agreements”  | the Copyright Transfer Agreement A and the Copyright Transfer Agreement B   |
| “CRT Fire Monitoring Software”   | the Beida Jade Bird CRT Fire Monitoring System V1.0, a system software designed for monitoring the operations of fire apparatus, which was developed by Jade Bird Security Systems  |
| “Director(s)”                    | the director(s) of the Company  |



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| “GEM”                                    | the Growth Enterprise Market of the Stock Exchange  |
| “GEM Listing Rules”                      | the Rules Governing the Listing of Securities on GEM  |
| “H Share(s)”                             | overseas-listed foreign invested shares in the ordinary share capital of the Company, with a nominal value of RMB0.1 and subscribed for and traded in Hong Kong dollars |
| “Hong Kong”                              | the Hong Kong Special Administrative Region of the PRC  |
| “Jade Bird Fire Alarm”                   | 北大青鳥環宇消防設備股份有限公司 (Beida Jade Bird Universal Fire Alarm Device Company Limited <sup>#</sup> ), a non-wholly owned subsidiary of the Company                              |
| “Jade Bird Security Systems”             | 北京北大青鳥安全系統工程技術有限公司 (Beijing Beida Jade Bird Security Systems Engineering Technology Company Limited <sup>#</sup> ), a limited liability company established in the PRC  |
| “Long Distance Fire Monitoring Software” | Beida Jade Bird City Long Distance Fire Monitoring System V1.0, a long distance fire monitoring system software developed by Jade Bird Security Systems                 |
| “Management Software”                    | the software to be developed by Jade Bird Security Systems and used for the central management of fire safety systems at various locations                              |
| “PRC”                                    | the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan                           |
| “RMB”                                    | renminbi, the lawful currency of the PRC  |
| “Shares”                                 | the ordinary shares of RMB0.1 each in the issued share capital of the Company   |
| “Shareholder(s)”                         | the shareholder(s) of the Company   |

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|----------------------------------|--|
| “Software Development Agreement” | the software development agreement dated 7 March 2014 and entered into between Jade Bird Fire Alarm and Jade Bird Security Systems in relation to the development of the Management Software |
| “Stock Exchange”                 | The Stock Exchange of Hong Kong Limited  |
| “Working Day”                    | any normal working day other than a public holiday in the PRC  |

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

Beijing, the PRC, 7 March 2014

*As at the date of this announcement, Mr. Xu Zhendong, Mr. Xu Zhixiang and Mr. Zhang Wanzhong are executive Directors, Mr. Zhang Yongli, Mr. Chen Zongbing and Ms. Zheng Zhong are non-executive Directors and Mr. Cai Chuanbing, Mr. Li Juncai, Mr. Shao Jiulin and Mr. Lin Yan are independent non-executive Directors.*

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

*This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at “www.jbu.com.cn”.*

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