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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: 8095)

ANNOUNCEMENT DONGZHIMEN PROJECT

On 17 November 2005, Shenzhen Development Bank, as the plaintiff, obtained an order from the People's High Court of Beijing to "freeze" the capital and assets of 北京東華廣場置業有限公司 Beijing Donghua Company ("**Donghua Guangchang**") and 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 ("**Donghua Development**") for a value equivalent to RMB1,530 million. The assets frozen by the order include the land of the Dongzhimen project in Beijing. The Dongzhimen project is a project for the development of a parcel of land located at Dongzhimen Wai, Dongcheng District, Beijing, into a transportation terminal and a large-scale commercial and residential complex (the "**Dongzhimen Project**").

Based on the documents filed with the People's High Court of Beijing, Shenzhen Development Bank's claim is for, among other things, an order for the transfer of the land use rights of the Dongzhimen Project to Donghua Guangchang and that Donghua Guangchang be adjudged to be liable a guarantor for a principal sum of RMB1,500 million lent by Shenzhen Development Bank to 中財國企投資有限公司 Zhongcai State-owned Enterprise Investment Company Limited and 首創網絡有限公司 Shouchuang Network Company Limited together with interest thereon accrued at RMB30.74 million up to 31 October 2005.

The land use rights are the major assets of the Dongzhimen Project. The Dongzhimen Project is the principal business of Donghua Development, which is a limited liability company established in the People's Republic of China in which the Company has a 44% equity interest. The Company acquired the 44% equity interest in Donghua Development from 北京北大青鳥有限責任公司 Beijing Beida Jade Bird Limited ("**Beida Jade Bird**"), a connected person of the Company, in August 2005 for a total consideration of RMB314.19 million, comprising payments of an aggregate of RMB252.59 million and a shareholder's loan RMB61.6 million. Details relating to the Company's acquisition of the 44% equity interest have been disclosed in the Company's announcement dated 24 March 2005 and circular to the shareholders dated 30 June 2005.

On 18 August 2005, Donghua Development obtained the land use right certificate of the land relating to the Dongzhimen Project from the Bureau of Land and Resources of Beijing. On 19 August 2005, the Company formally completed the acquisition of the 44% equity interest by the Company in Donghua Development by obtaining the relevant business certificate. The land use rights of the land of the Dongzhimen Project is now formally vested in Donghua Development and not Donghua Guangchang.

Donghua Guangchang is a joint venture company established by Donghua Development and Strong Ground Investment Limited (“**Strong Ground**”) in 2002 for the purpose of the Dongzhimen Project. Cooperation between Donghua Development and Strong Ground for the development of the Dongzhimen Project was evidenced by a Cooperation Agreement dated 19 November 2001 and a Supplementary Agreement dated 16 September 2003. By a Cancellation Agreement dated 12 December 2004, the parties cancelled the Cooperation Agreement and Supplementary Agreement and released each other from the obligations and liabilities under those agreements. By a repayment agreement dated 20 May 2005, Donghua Development agreed to repay Donghua Guangchang a sum of RMB700 million paid by Strong Ground pursuant to the Cooperation Agreement as amended by the Supplementary Agreement. Other than the above, the directors of the Company (the “Directors”) are not aware of any other relationships between Donghua Guangchang and Donghua Development.

The shareholders of Donghua Development are the Company (44%), 北京市東城區住宅發展中心 Beijing Dongcheng Residential Centre (10%), Beida Jade Bird (14.5%) and 海南京灝實業有限公司 Hainan Jinghao Company (31.5%). Beida Jade Bird is a connected person of the Company and was the person from whom the Company acquired its 44% in Donghua Development.

On 1 December 2005, Donghua Development filed its defence with the People’s High Court of Beijing. The Company through Donghua Development will vigorously contest the claims by Shenzhen Development Bank. The Directors are not certain as to approximately when the People’s High Court of Beijing will make a judgment on the claims by Shenzhen Development Bank and the defence of Donghua Development. The Directors became aware of the freeze order in late November 2005. For the purpose of preparing this announcement, the board of Directors of the Company only received copies of the court papers from the relevant party on 12 December 2005. The Directors were not aware of any claims by Shenzhen Development Bank prior to completion of the Company’s acquisition of the 44% equity interest in Donghua Development on 19 August 2005.

The Directors are assessing the potential impacts (if any) of the freeze order and the claims by Shenzhen Development Bank, in the event that Donghua Development loses the land use rights, on the financial position of the Company (among other things, whether there is any diminution in value of the Company’s investment in associate) and on the operations, working capital and financial position of the Donghua Development (among other things, whether the bank loans/facilities of Donghua Development are affected). The Company will make a further announcement on its assessment of the impacts (if any), when appropriate.

This announcement is made in accordance with the requirement of Rule 17.10 of the GEM Listing Rules.

By order of the Board
Xu Zhen Dong
Chairman

Beijing, the PRC, 14 December 2005

As at the date of this announcement, Mr. Xu Zhen Dong, Mr. Xu Zhi Xiang and Mr. Zhang Wan Zhong are executive-Directors, Mr. Lo Lin Shing, Simon, Mr. Liu Yong Jin, Mr. Hao Yi Long and Mr. Li Li Xin are non-executive Directors and Mr. Wang Chao Yong, Professor Nan Xiang Hao and Professor Chin Man Chung, Ambrose are independent non-executive Directors.

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