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This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



青鸟环宇
JADE BIRD UNIVERSAL

北京北大青鸟环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)

**PROPOSAL TO RENEW THE SPECIFIC MANDATE
FOR THE ISSUE OF NEW H SHARES
AND
POSSIBLE DISCLOSEABLE TRANSACTION
UPON PLACING OF NEW H SHARES
PURSUANT TO THE RENEWED SPECIFIC MANDATE**

Financial adviser



Tai Fook Capital Limited

In view of the current stock market conditions, the Directors have decided not to proceed with the placing of the 140,000,000 new H shares granted to the Directors pursuant to the authority of the Specific Mandate dated 20th February, 2002. Accordingly, the Placing Agreement with the Placing Agent for the Placing Agent to place on a best effort basis the 140,000,000 new H Shares will lapse.

The Company’s investment in SMIC was partly financed by the Bridging Loan. To raise funds to reduce the Bridging Loan, the Directors consider that it is in the interest of the Company to renew the Specific Mandate to issue new H Shares and to place the new H Shares at the appropriate time. Pursuant to an approval document from the CSRC dated 24th June, 2002, the Specific Mandate to issue up to 140,000,000 new H Shares was approved by the CSRC. For this purpose, the Directors intend to seek approval for renewal of the Specific Mandate to issue up to 140,000,000 new H Shares from the Shareholders at the proposed SGM and Class Meetings.

The maximum number of 140,000,000 new H Shares proposed to be issued upon the renewal of the Specific Mandate represents approximately 53.03% and 14.52% of the existing issued H Shares and the entire issued share capital of the Company respectively. For reference and illustration purposes only, based on the Average Closing Price of approximately HK\$0.98 per H Share and the maximum number of 140,000,000 new H Shares that can be issued upon the renewal of the Specific Mandate, the Company will raise approximately HK\$137,000,000 net proceeds, which will be fully utilised for part repayment of the Bridging Loan.

Investors should note that the proposed placing of new H Shares under the renewed Specific Mandate may or may not proceed and that the final issue price of the new H Shares will be determined with reference to the market price of the H Shares at the time of issue and such price may be at a premium or a discount to the prevailing share price of the H Shares. The Company will make further announcement at the time of the placement of the new H Shares, particularly in relation to the issue price and the number of new H Shares to be issued.

A circular containing further details of the proposal to renew the Specific Mandate and notices convening the SGM and Class Meetings will be despatched to Shareholders as soon as practicable.

Reference is made to the announcement of the Company dated 27th June, 2002 relating to the proposed placing of 140,000,000 new H Shares. References are also made to the circular dated 31st December, 2001 relating to the Company's investment in SMIC and the Specific Mandate for the issue of up to 140,000,000 new H Shares and the announcements of the Company dated 5th and 25th September, 2001 respectively.

Expiry of the Specific Mandate

At the special general meeting and the class meetings of the Company held on 20th February, 2002, the Shareholders granted to the Directors the Specific Mandate to issue up to 140,000,000 new H Shares until the earliest of: (1) the conclusion of the next annual general meeting; (2) the end of 12 months from the passing of the relevant resolution; or (3) the revocation or variation of the relevant resolution. On 27th June, 2002, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to place, on a best effort basis, the new H Shares at a price not less than HK\$1.20 per H Share on or before 30th September, 2002. On 28th June, 2002, the Company held and concluded its 2001 annual general meeting and accordingly, the Specific Mandate expired upon conclusion of the annual general meeting, pending the placing of the new H Shares by the Placing Agent.

In view of the current stock market conditions and since the current market price of the H Shares is below the proposed placing price, the Directors have decided not to proceed with the placing and the Placing Agreement will lapse after 30th September, 2002.

Reason for Renewal of the Specific Mandate and Use of Proceeds

As disclosed in the circular of the Company dated 31st December, 2001, the Company's investment of US\$60 million (RMB500 million) in SMIC was partly financed by the Bridging Loan of RMB390 million (US\$47 million). As at the date of this announcement, the principal amount outstanding under the Bridging Loan is approximately RMB360 million following a partial repayment by the Company in July 2002. To further reduce the Bridging Loan and the interest burden of the Company, the Directors intend to obtain authorization by the Shareholders of the Company for renewal of the Specific Mandate and to place the new H Shares at the appropriate time to reduce part of the Bridging Loan. It is intended that the

Specific Mandate, if successfully renewed at the SGM and the Class Meetings, will expire until the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the end of 12 months from the passing of the relevant resolution; or
- (3) the revocation or variation of the relevant resolution.

Pursuant to an approval document from the CSRC dated 24th June, 2002, the Specific Mandate to issue up to 140,000,000 new H Shares was approved by the CSRC.

The Company may issue the new H Shares under the renewed Specific Mandate at a premium or a discount to the market price of the H Shares at the time of the placing. If the new H Shares are to be issued at a discount, the Directors will not issue the new H shares at an issue price per new H Share which is more than 15% discount to the average closing price of the H Shares quoted on the Stock Exchange for 10 trading days immediately prior to the signing of the relevant placing agreement(s).

For reference and illustration purposes only, based on the Average Closing Price of approximately HK\$0.98 per H Share and the maximum number of 140,000,000 new H Shares that can be issued upon renewal of the Specific Mandate, the Company will raise approximately HK\$137,000,000 net proceeds, which will be fully utilised for part repayment of the Bridging Loan. **Investors should note that the proposed placing of new H Shares under the renewed Specific Mandate may or may not proceed and that the final issue price of the new H Shares will be determined with reference to the market price of the H Shares at the time of issue and such price may be at a premium or a discount to the above indicative price.** The Company will make further announcement at the time of issue of the new H Shares, particularly in relation to the issue price and the number of new H Shares to be issued.

Possible Change in Share Capital and Shareholding Structure

The maximum number of 140,000,000 new H Shares to be issued upon renewal of the Specific Mandate represents:

- approximately 53.03% of the existing issued H Shares;
- approximately 14.52% of the existing entire issue share capital of the Company;
- approximately 34.65% of the issued H Shares of the Company as enlarged by the issue of new H Shares to be issued upon renewal of the Specific Mandate (assuming the maximum number of 140,000,000 new H Shares are issued); and
- approximately 12.68% of the entire issued share capital of the Company as enlarged by the issue of new H Shares to be issued upon renewal of the Specific Mandate (assuming the maximum number of 140,000,000 new H Shares are issued).

For reference and illustrative purposes only, the share capital and shareholding structure of the Company immediately before and after issuance of the new H Shares upon renewal of the Specific Mandate (assuming 140,000,000 new H Shares are fully issued) are as follows:

Ordinary Shares	Note	Immediately before the Placing		Immediately after the Placing	
		Number of shares	%	Number of shares	%
<i>Promoter shares</i>					
Peking University	1	221,345,350	22.96	221,345,350	20.05
Dynamic Win Assets Limited	2	220,000,000	22.82	220,000,000	19.93
Other promoters		258,654,650	26.83	258,654,650	23.43
		<u>700,000,000</u>	<u>72.61</u>	<u>700,000,000</u>	<u>63.41</u>
<i>H Shares</i>		<u>264,000,000</u>	<u>27.39</u>	<u>404,000,000</u>	<u>36.59</u>
		<u>964,000,000</u>	<u>100.00</u>	<u>1,104,000,000</u>	<u>100.00</u>

Notes:

1. Peking University, through Jade Bird Software, Jade Bird, Yu Huan and Beijing Tianqiao, has effective interests in the Company comprising:
 - (a) 85,000,000 shares held by Beijing Beida Yu Huan Microelectronics System Engineering Company (“Yu Huan”), which is beneficially wholly-owned by Peking University;
 - (b) 110,000,000 shares held by Beijing Beida Jade Bird Software System Co. (“Jade Bird Software”), which is beneficially wholly-owned by Peking University;
 - (c) 18,400,000 shares held through Beijing Beida Jade Bird Limited (“Jade Bird”) , which is approximately 46% owned by Peking University; and
 - (d) 7,945,350 shares held through Beijing Tianqiao Beida Jade Bird Sci-Tech Company Limited (“Beijing Tianqiao”), which is approximately 10.60% owned by Peking University.
2. Dynamic Win Assets Limited is owned as to approximately 6.63% and 93.37% by Gamerian Limited and Heng Huat Investments Limited (“Heng Huat”) respectively. Gamerian Limited is a wholly owned subsidiary of New World CyberBase Limited, the shares of which are listed on the Main Board of the Stock Exchange. The entire issued share capital of Heng Huat is held by three executive Directors as trustees for the benefits of the qualified employees of the Company, Jade Bird Software, Jade Bird, Yu Huan and Beijing Tianqiao and their respective subsidiaries and associated companies.

Application for listing

The Company will apply to the GEM Listing Committee for the listing of and permission to deal in the new H Shares to be issued upon renewal of the Specific Mandate.

General

The proposed issue of the new H Shares upon renewal of the Specific Mandate constitutes a discloseable transaction for the Company under the GEM Listing Rules. Investors should note that no placing agreement will be entered into by the Company until the Specific Mandate is successfully renewed by way of Shareholders’ approval at the SGM and Class Meetings respectively. A circular containing, among other things, further information on the proposed renewal of the Specific Mandate, the notices of the SGM and

Class Meetings to obtain Shareholders' approval for such purposes and information on the possible issue of new H Shares pursuant to the renewed Specific Mandate will be despatched to the Shareholders as soon as practicable.

Definitions

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

“Average Closing Price”	the closing price of the H Shares, as quoted on the Stock Exchange, for the 10 trading days immediately prior to the date of the this announcement
“Bridging Loan”	the bridging loan of RMB390 million extended by a bank to the Company to partially finance the subscription price for the Company's investment in SMIC, the details of which are set out in the circular of the Company dated 31st December, 2001
“Class Meetings”	separate meetings of the holders of H Shares and domestic shares for the purposes of renewing the grant of the Specific Mandate to the 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 Sino-foreign joint stock limited company incorporated in the PRC with limited liability with its H Shares listed on GEM and a leading software developer and integrated circuit designer in the PRC
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission)
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“H Shares”	overseas-listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB0.10 each, which are listed on GEM, and subscribed for and traded in Hong Kong dollars
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Placing Agent”	Tai Fook Securities Company Limited, a dealer registered under the Securities Ordinance (Chapter 333 of the laws of Hong Kong)

“Placing Agreement”	the conditional placing agreement dated 27th June, 2002 entered into between the Company and the Placing Agent for the placing by the Placing Agent on or before 30th September, 2002, on a best effort basis, of up to 140,000,000 new H Shares to be issued pursuant to the Specific Mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Shareholders of the Company to be convened for approving, by special resolution, renewal of the Special Mandate
“Shareholders”	holders of the H Shares and the domestic shares issued by the Company, with a nominal value of RMB0.10 each
“SMIC”	Semiconductor Manufacturing International Corporation, a company in which the Company has an interest of 5.29% as at the date of this announcement
“Specific Mandate”	the specific mandate granted by the Shareholders to the Directors pursuant to the meeting of the Shareholders on 20th February, 2002 to issue up to 140,000,000 new H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Xu Zhen Dong
Chairman

Beijing, the PRC, 2nd October, 2002.

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