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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: (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.



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)

(Stock code: 8095)

MAJOR TRANSACTION FORMATION OF INVESTMENT FUND

Reference is made to the announcement by the Company dated 13 November, 2007 in relation to the entering into a non-binding term sheet among SBIH, SBI VEN and the Company on 9 November, 2007 for the joint formation of an investment fund. The Board is pleased to announce that on 22 February, 2008, BJB (D), MS Fund and the Fund Manager have entered into the Limited Partnership Agreement, pursuant to which BJB (D), would make an aggregate commitment of US\$50 million into the Fund, representing 50% of the Committed Fund Size of US\$100 million and MS Fund would make an aggregate commitment of the balance of US\$50 million.

The Fund has a committed period of 3 years. The Fund Manager is the sole general partner of the Fund and solely responsible to conduct investments for the Fund. The purpose of the Fund is to seek capital gains to its investors.

Based on the amount under the BDJB Aggregate Commitment, both the asset test ratio and the consideration test ratio exceed 25% but are below 100%. Pursuant to the GEM Listing Rules, the entering into the Limited Partnership Agreements by BJB (D) constitutes a major transaction of the Company pursuant to Rule 19.07 of the GEM Listing Rules, and is subject to the Shareholders' approval at the SGM. The transaction is subject to the announcement and shareholders circular requirement pursuant to Rules 19.34 and 19.38 of the GEM Listing Rules.

A circular containing, among other things, further details of the Limited Partnership Agreement and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

INTRODUCTION

Reference is made to the announcement by the Company dated 13 November, 2007 in relation to the entering into a non-binding term sheet among SBIH, SBI VEN and the Company on 9 November, 2007 for the joint formation of an investment fund. The Board is pleased to announce that on 22 February, 2008, BJBU (D), MS Fund and the Fund Manager have entered into the Limited Partnership Agreements, pursuant to which BJBU (D), would make an aggregate commitment of US\$50 million into the Fund, representing 50% of the Committed Fund Size of US\$100 million and MS Fund would make an aggregate commitment of the balance of US\$50 million.

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LIMITED PARTNERSHIP AGREEMENT

The principal terms are as follow:

- Date: 22 February, 2008.
- Name of the Fund: SBI & BDJB China Fund, LP, an exempted limited partnership established in the Cayman Islands.
- Parties:
- i) The Fund Manager, as GP;
 - ii) BJBU (D), as investor;
 - iii) MS Fund , as investor.

To the best of the Directors' knowledge and information and belief having made all reasonable enquiries, MS Fund and its ultimate beneficial owners are not connected persons of the Company and is third party independent of and not connected to the Company and the Directors and any of their respective associates in accordance with the GEM Listing Rules.

Committed Fund Size: US\$100 million, aggregate commitment of US\$50 million in cash from BJBU (D) and US\$50 million from MS Fund. 10% of the aggregate commitment is required within 7 days from the Closing Date and balance is subject to the presenting of written drawdown notices by the Fund Manager with not less than 15 Business Days between the drawdown notice and payment date.

The Company is not obligated for any further financial commitment save and except disclosed herein.

Investment Focus: The Fund is seeking capital gains by making equity and equity related investments in unlisted companies and businesses operating in the PRC and real-estates in the PRC.

Failure to Comply with
Drawdown Notice:

The Fund Manager, in its sole discretion, can: i) charge an interest at the prime rate (based on the date of the drawdown notice) + 4% per annum compounded annually, however, should the relevant party fail to make the payment within 15 Business Days after the serving of failure notice by the Fund Manager, the relevant party's interests in the Fund would be forfeited until relevant payment has been made fully; ii) causing the defaulting party to forfeit all or a portion of future distributions as remedies; iii) exclude the relevant party from future investments; iv) cause a force sale and redemption of the relevant party's interests in the Fund to the extent of damages caused to the Fund, which may include a distribution of 25% of the relevant party's paid in capital account to the other party of the Fund; v) seek other available legal and equitable remedies from the relevant party.

However, should a party participates an investment through the Fund would result in a material violation of status, rules, policies or regulations of any governmental authority applicable to party, or result in a material violation of any written investment prohibition in the constitutional documentation in issue of the party, and being notified by the relevant party to the GP no later than 5 Business Day after the receipt of any drawdown notice, in such circumstances the relevant party may request the GP to exclude it from the relevant investment without any adversaries.

Commitment Period:

3 years from the Closing Date of the Fund, or the day upon which the Fund Manager notifies the Fund that it deems in its reasonable discretion that the Fund is in practical terms fully invested.

Fees:

The Fund will pay an management fee to the Fund Manager semi annually at 2% per annum of the committed fund size between the Closing Date of fund and the commitment period of 3 years, and thereafter equal to 1.5% per annum of the committed fund size.

The Fund will bear all fees, costs and expenses incurred in order to establish the Fund and will bear the payment of or provision for working capital requirements of the Fund Manager or liabilities howsoever arising.

Distribution Mechanism: After the payment of or provision for fees, costs and expenses, the payment of the management fee to the Fund Manager, and the payment of or provision for working capital requirements of the Fund Manager or liabilities howsoever arising, all income and capital shall be distributed as follows:

- (a) first, 100% to the investors of the Fund pro rata to their respective committed ratios of the Fund until they have received in aggregate an amount equal to their respective capital contributions;
- (b) hereafter, 100% to the investors of the Fund pro rata to their respective committed ratios of the Fund until they have received a preferred return by way of cumulative distributions, compounded annually, equal to 7% of their respective capital contributions;
- (c) hereafter, 100% to the Fund Manager until the Fund Manager has received cumulative distributions 20% of all income and capital distributed to the investors to the Fund; and
- (d) hereafter, 80% to the investors of the Fund pro rata to their respective capital contribution and 20% to the Fund Manager.

Save and except the BDJB Aggregated Commitment, pursuant to the Limited Partnership Agreement, the Company has no further commitment to the Fund in any kind. The Limited Partnership Agreements are conditional on, inter alia, on the passing of the relevant resolutions by the Shareholders in the SGM.

INFORMATION OF THE FUND MANAGER

The Fund Manager was incorporated on 7 February, 2008. Currently the sole purposes of the Fund Manager is to, in the capacity as the GP, manage the Fund. 50% of the paid in capital is owned by BJBU (I), 40% of the paid in capital is owned by SBI VEN and the balance of 10% is owned by the BDJB ESP Trust. Save and except for the Company's effective interests in the Fund Manager, the Fund Manager is not a connected person to the Company pursuant to the GEM Listing Rules.

The Fund Manager is operating under a general partnership and is the sole general partner of the Fund. Decision of important events within the GP must be approved by the members of the GP unanimously, not in accordance to the shareholding ratios in the Fund Manager. The GP comprises 3 members and each represents a shareholder of the Fund Manager, namely BJBU (I), SBI VEN and Luck Circle. The 3 members of the GP will establish an investment committee with 4 voting members, where 2 are nominated by BJBU (I) and 2 are nominated by SBI VEN. The investment committee will be responsible for making all investment decisions for the Fund and such decision shall be made by an unanimous vote of all of its members. The GP will seek capital gains by making equity and equity related investments in unlisted companies and businesses operating in the PRC and real-estates in the PRC.

The GP cannot organize another investment fund with investment objectives substantially similar to those of the Fund until at least 75% of the Fund have been invested or committed.

To the best of the Directors' knowledge and information and belief having made all reasonable enquiries, the Fund Manager (save and except for the Company's effective interests therein), SBI VEN, Luck Circle and their ultimate beneficial owners are not connected persons of the Company and are third party independent of and not connected to the Company and the Directors and any of their respective associates in accordance with the GEM Listing Rules.

REASONS FOR THE ENTERING TO THE LIMITED PARTNERSHIP AGREEMENT

BJBU (D) will finance the BDJB Aggregate Commitment through internal financial resources. The amount of BDJB Aggregate Commitment is arrived at after arms length negotiations with SBIH.

The Group has strong history of technology related business in the PRC and has vast array of business contacts in the technology related sector in the PRC. SBIH and its associates have strong experience in investments into technology related business in Japan, Korea, Hong Kong and in the Asia Pacific region. The Directors believe, by joint venturing with SBIH under the structure contemplated in the Limited Partnership Agreement where the Fund is managed by the Fund Manager, the Group can utilize its existing business coverage in the PRC and to leverage on SBIH's investment experience to generate additional returns to the Shareholders. The Directors (including the independent non-executive Directors) believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL EFFECTS TO THE COMPANY

Save and except to the performance of Fund and the set up costs, there is no gain or loss associated with the BDJB Aggregate Commitment. The Group will record the Fund and the Fund Manager as investments in jointly controlled entities in the financial statements respectively.

INFORMATION OF SBIH

SBIH is incorporated in Japan and its shares are listed on the First Section of the Tokyo Stock Exchange, Inc. with the stock code 8473. The principal businesses of SBIH include securities brokerage, venture capital investment and investment banking.

INFORMATION OF THE GROUP

The Group is principally engaged in the research, development, manufacture, marketing and sale of embedded systems products, including network security products, wireless fire alarm systems and related products. The Group is also engaged in the sale of computer products and provision of total solution services through the application of its existing embedded system products.

IMPLICATION UNDER THE GEM LISTING RULES

Based on the amount under the BDJB Aggregate Commitment, both the asset test ratio and the consideration test ratio exceed 25% but are below 100% under the GEM Listing Rules, the entering into the Limited Partnership Agreements by BJBU (D) constitutes a major transaction of the Company pursuant to Rule 19.07 of the GEM Listing Rules, and is subject to the Shareholders' approval at the SGM. No Shareholder is required to abstain from voting in the SGM. The transaction is subject to the announcement and shareholders circular requirement pursuant to Rules 19.34 and 19.38 of the GEM Listing Rules.

Save from the formation of the Fund, the Group, MS Fund and SBIH had not involved in any other transaction with a period of 12 month period. The transaction is thus not subject to Rule 19.22 of the GEM Listing Rules.

A circular containing, among other things, further details of the Limited Partnership Agreement and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“BDJB” or the “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
“BDJB Aggregate Commitment”	US\$50 million, it is the maximum amount BJB (D) committed to invest, subject to the presenting of drawdown notice by the Fund Manager, pursuant to the Limited Partnership Agreement
“BDJD ESP Trust”	a trust where the beneficiaries would be the employees including directors of the Fund Manager. Luck Circle is the trustee and the directors of the Fund Manager are, collectively, the administrators of the BDJD ESP Trust
“BJBU (D)”	Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited, a company incorporated in the Cayman Islands and is wholly owned by the Company
“BJBU (I)”	Beida Jade Bird Universal Sci-Tech (Cayman) Investment Company Limited, a company incorporated in the Cayman Islands and is wholly owned by the Company
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong and the PRC are required to be and are generally open for business (other than any Saturday, Sunday and public holiday)
“Closing Date”	means the date upon which BJB(D) and MS Fund are first admitted to Fund by the GP
“Committed Fund Size”	US\$100 million
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules

“Directors”	directors of the Company
“Fund”	SBI & BDJB China Fund, LP, an exempted limited partnership established in the Cayman Islands
“Fund Manager”	SBI & BDJB Management Limited, an exempted company incorporated under the laws of the Cayman Islands, the sole investment manger to the Fund
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GP”	The general partnership that operates the Fund Manager
“Group”	the Company and its subsidiaries
“H Shares”	overseas-listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB0.1 each and which are listed on GEM and traded in Hong Kong dollars
“Limited Partnership Agreement”	the agreement that contemplate the details of the terms and conditions among the Fund Manager, BJB (D) and MS Fund
“Luck Circle”	Luck Circle International Ltd., a company incorporated in the British Virgin Islands with limited liability
“MS Fund”	MS Fund Management Holdings, LLP, a limited partnership established in the Cayman Islands. SBIH holds 99.9% of the interest in MS Fund and SBI VEN holds the remaining 0.1% of interest
“PRC”	The People’s Republic of China
“SBIH”	SBI Holdings, Inc.
“SBI VEN”	SBI Ven Holdings Pte. Ltd., a company incorporated under the laws of the Republic of Singapore with limited liabilities and is a wholly owned subsidiary of SBIH
“SGM”	the special general meeting of the Company to be convened for the purpose of approving the Limited Partnership Agreement
“Shareholders”	shareholders of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$”

United States Dollars, the lawful currency in the United States of America

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

Beijing, the PRC, 22 February, 2008

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xu Zhen Dong, Mr. Xu Zhi Xiang and Mr. Zhang Wan Zhong, three non-executive Directors, namely Mr. Liu Yong Jin, Mr. Hao Yi Long and Mr. Li Li Xin, and three independent non-executive Directors, namely Professor Nan Xiang Hao, Professor Chin Man Chung, Ambrose and Mr. Cai Chuan Bing.

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