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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
(the “Company”)

(a joint stock limited company incorporated in the People’s Republic of China with limited liability)

CONNECTED TRANSACTION

On 5 February 2002, the Company entered into the Agreement with a connected person (as defined in the GEM Listing Rules) to acquire 51% interest in Jade Bird Haodi from the connected person. The Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. However, as the consideration of RMB10,413,000 (or approximately HK\$9,824,000) and the net tangible assets of Jade Bird Haodi of RMB5,268,000 (or approximately HK\$4,970,000) are less than HK\$10,000,000 or 3% of the net tangible assets of the Company, no independent shareholders’ approval is required in respect of the Agreement pursuant to Rule 20.24 of the GEM Listing Rules. Details of the Agreement will be included in the Company’s next published report and accounts.

The Directors announce that on 5 February 2002, the Company entered into a share transfer agreement (“the Agreement”) to acquire 51% interest in Beijing Jade Bird Haodi Electrical Systems Company Limited (“Jade Bird Haodi”) from Beijing Beida Jade Bird Limited. The consideration of the Agreement is RMB10,413,000 (or approximately HK\$9,824,000). Upon the effective date of the Agreement, the Company is entitled to the rights and obligations relating to the interest acquired.

Jade Bird Haodi

Shareholders : (i) Before entering into the Agreement

- 85% owned by Beijing Beida Jade Bird Limited
- 15% owned by two individual third parties who are also the directors of Jade Bird Haodi

(ii) After entering into the Agreement

- 51% owned by the Company
- 34% owned by Beijing Beida Jade Bird Limited
- 15% owned by two individual third parties who are also the directors of Jade Bird Haodi

Summary of net assets as at 31 August 2001:

(as assessed by the PRC qualified valuer and approved by China Ministry of Education)

	RMB'000
Tangible assets	6,630
Short term liabilities	(1,362)

Net tangible assets	5,268
Intangible assets (<i>Note</i>)	15,150

Net assets	20,418
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Note : Intangible assets represented the discounted present value of the estimated future revenue from the technologies of Automatic Meter Reading System by Low Voltage Power Line Carrier and Remote (Smart Building) Automatic Meter Reading System assessed by the PRC qualified valuer.

Consideration

The consideration of the Agreement is determined on an arm's length basis and is based on the valuation of the net assets of Jade Bird Haodi by a PRC qualified valuer and approved by China Ministry of Education. Based on the valuation at 31 August 2001, the net assets value of Jade Bird Haodi was RMB 20,418,000 (or approximately HK\$19,262,000) and 51% interest in Jade Bird Haodi is equivalent to approximately RMB 10,413,000 (or approximately HK\$9,824,000). The Company paid a deposit of RMB 10,000,000 (or approximately HK\$9,434,000) upon signing of the Agreement. The remaining amount would be paid within fifteen (15) days after the date of the Agreement.

Connected Transaction

Beijing Beida Jade Bird Limited is an initial management shareholder of the Company with a direct and an indirect interest of 4.15% and 1.79% respectively in the Company. Beijing Beida Jade Bird Limited is ultimately controlled by the Peking University, the ultimate controlling shareholder of the Company. Thus, Beijing Beida Jade Bird Limited is a connected person of the Company under the GEM Listing Rules and the conclusion of the Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. However, as the consideration of RMB10,413,000 (or approximately HK\$9,824,000) and the net tangible assets of Jade Bird Haodi of RMB5,268,000 (or approximately HK\$4,970,000) are less than HK\$10,000,000 or 3% of the net tangible assets of the Company, no independent shareholders' approval is required in respect of the Agreement pursuant to Rule 20.24 of the GEM Listing Rules. Details of the Agreement will be included in the Company's next published report and accounts.

The Directors, including the independent non-executive directors, consider that the Agreement is entered into on normal commercial terms and is fair and reasonable and in the interests of the Company so far as the shareholders of the Company are concerned.

Reason for entering into the Agreement

Jade Bird Haodi is a high technology enterprise engaged in the design, manufacture and sale of low voltage power remote reading system. Based on the high-end technologies, in particular large-scale electronic integration technology and computer technology, Jade Bird Haodi develops a series of centralized power voltage reading products that meet the needs of the customers in the PRC. The centralized low voltage power remote reading system has been awarded quality certificate from the Examination Center of the Power Science Institute of National Power Ministry. The system realizes functions such as real-time voltage reading and real-time monitor, and makes voltage reading cost effective, convenient and efficient. The system provides an optimal means for scientific management of power systems and properties. Currently Jade Bird Haodi provides a package of system management software and hardware to the customers, who are mostly major system providers.

The Company is one of the leaders in the PRC in design and manufacture of embedded systems with expertise in developing software application and designing integrated circuits. Through this share acquisition, the Company would provide mutual supports in technology, including research, development and manufacture, to Jade Bird Haodi, and assist the development of safer and more stable products so as to attract new customers and develop a larger customer base. Meanwhile the Company would be able to expand the scales and types of embedded system products and hence, enhance the competitiveness and competence of the Company and achieve better operating results.

Prior to entering into the Agreement, there has been no business transaction between the Company and Jade Bird Haodi. Except for the technology supports as mentioned above, the Directors anticipate that there would not be any other business transaction between the Company and Jade Bird Haodi after the acquisition.

By order of the Board
Xu Zhen Dong
Chairman

Beijing, the PRC, 5 February 2002.

The exchange rate at HK\$1 = RMB1.06 has been used for illustration purpose in this announcement.

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