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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.



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 26 September 2001, the Company entered into the Contract with a connected person (as defined in the GEM Listing Rules) with respect to transferring the right of use of the second-generation wireless fire alarm system technology to the connected person. The Contract constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. However, as the consideration of the Contract is RMB3,000,000, which is less than HK\$10,000,000, no independent shareholders’ approval is required in respect of the Contract pursuant to Rule 20.24 of the GEM Listing Rules. Details of the Contract will be included in the Company’s next published report and accounts.

The Directors announce that on 26 September 2001, the Company entered into a non-exclusive technology license contract with respect to transferring the right of use of the second-generation wireless fire alarm system technology (“the Contract”) to Beida Jade Bird Security Systems Engineering and Technologies Company Limited (“Jade Bird Security Systems”), a company which is 80% owned by Beijing Beida Jade Bird Limited and 20% owned by Beijing Beida Jade Bird Software System Company respectively. The consideration of the Contract is RMB3,000,000. Pursuant to the Contract, the non-exclusive technology license is permanent and limited to be used in Beijing, the PRC.

Consideration

The consideration of the Contract is negotiated on an arm’s length basis and is determined by reference to the market prices of similar fire alarm system technology. The consideration is payable

to the Company in cash by two instalments. The first instalment of RMB1,000,000 is payable to the Company in December 2001 and the second instalment of RMB2,000,000 is payable to the Company in March 2002.

Connected Transaction

Jade Bird Security Systems is a company which is owned as to 80% by Beijing Beida Jade Bird Limited and as to 20% by Beijing Beida Jade Bird Software System Company. Each of Beijing Beida Jade Bird Limited and Beijing Beida Jade Bird Software System Company is an initial management shareholder of the Company and ultimately controlled by the Peking University, which respectively hold a direct interest of 4.15% and 11.41% as well as an indirect effective interest of 1.79% and 0.82% in the Company. Thus, Jade Bird Security Systems is a connected person of the Company under the GEM Listing Rules and the conclusion of the Contract constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. However, as the consideration is RMB3,000,000, which is less than HK\$10,000,000, no independent shareholders' approval is required in respect of the Contract pursuant to Rule 20.24 of the GEM Listing Rules. Details of the Contract will be included in the Company's next published report and accounts.

The Directors, including the independent non-executive directors, of the Company consider that the Contract is entered into in the ordinary course of business of the Company, 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 Contract

The Company is one of the few wireless fire alarm system developers and manufacturers in the PRC. The second generation wireless fire alarm system integrates wireless communication technology, geographic information system technology and computer technology, and functions for effective automatic alarm and remote monitor.

Jade Bird Security Systems is engaged in the design, sale, installation and maintenance of closed circuit monitor systems, public security alarm systems, building automatic control systems, intelligent community systems and computer network systems. It is authorized by relevant government authority as a "Class One" licensed contractor for (design and construction) of security technology projects. After obtaining the non-exclusive technology license from the Company, Jade Bird Security Systems would apply the second-generation wireless fire alarm systems technology developed by the Company on the fire alarm system construction and installation projects.

By reason of the above, the Company is able to earning revenue by transferring the non-exclusive technology license to Jade Bird Security Systems.

By order of the Board

Xu Zhen Dong

Chairman

Beijing, the PRC, 26 September 2001.

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