

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 08095)

MAJOR TRANSACTION: ESTABLISHMENT OF THE JV COMPANY

ESTABLISHMENT OF THE JV COMPANY

The Board is pleased to announce that on 9 January 2014, the Company entered into the Investment Agreement with the JV Partners, the Organising Team and the Management Team, in relation to the establishment of the JV Company in the PRC which will be engaged in provision of life insurance products and services in the PRC. Pursuant to the Investment Agreement, the Company has conditionally agreed to subscribe for an aggregate of 200,000,000 JV Shares by a total capital contribution of RMB200,000,000, equivalent to 20% of the total registered capital of the JV Company.

LISTING RULES IMPLICATION

As the applicable percentage ratios under the GEM Listing Rules in respect of the establishment of the JV Company exceeds 25% but less than 100%, the entering into of the Investment Agreement constitutes a major transaction of the Company under the GEM Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. The SGM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the entering into of the Investment Agreement and the transactions contemplated thereunder.

A circular containing further details of the Investment Agreement and the notice of SGM will be despatched to the Shareholder on or before 25 February 2014, as the Company will require more time to prepare the information required for inclusion in the circular.

The Board is pleased to announce that on 9 January 2014, the Company entered into the Investment Agreement with the JV Partners, the Organising Team and the Management Team, in relation to the establishment of the JV Company in the PRC which will be engaged in provision of life insurance products and services in the PRC. Pursuant to the Investment Agreement, the Company has conditionally agreed to subscribe for an aggregate of 200,000,000 JV Shares by a total capital contribution of RMB200,000,000, equivalent to 20% of the total registered capital of the JV Company.

Set out below are the principal terms of the Investment Agreement:

PRINCIPAL TERMS OF THE INVESTMENT AGREEMENT

Date

9 January 2014

Parties

- (1) the Organising Team and the Management Team;
- (2) the Company; and
- (3) the JV Partners.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each member of the Organising Team and the Management Team, and each of the JV Partners and their respective ultimate beneficial owner is an Independent Third Party.

Registered capital

The registered capital of the JV Company will be RMB1,000,000,000. Set out below is the agreed contributions by the JV Parties and their respective equity interests in the JV Company:

JV Parties	First Capital Contribution	Second Capital Contribution	Total Capital Contribution	No. of JV Shares subscribed	Percentage of shareholding immediately upon the establishment of the JV Company
The Company	RMB1,000,000	RMB199,000,000	RMB200,000,000	200,000,000	20%
SZ Hulian	RMB500,000	RMB99,500,000	RMB100,000,000	100,000,000	10%
BJ Artix	RMB500,000	RMB99,500,000	RMB100,000,000	100,000,000	10%
TJ Junfeng	RMB1,000,000	RMB199,000,000	RMB200,000,000	200,000,000	20%
BJ Zhongyi	RMB700,000	RMB139,300,000	RMB140,000,000	140,000,000	14%
XJ Dingxin	RMB600,000	RMB119,400,000	RMB120,000,000	120,000,000	12%
BJ Mingde	RMB500,000	RMB99,500,000	RMB100,000,000	100,000,000	10%
XJ Qianyuan	RMB200,000	RMB39,800,000	RMB40,000,000	40,000,000	4%

The capital contribution to be made by the Company is determined by (i) the Company's interest in the JV Company, i.e. 20%; and (ii) the total registered capital of RMB1,000,000,000, which is determined after taking into account of the potential capital needs of the JV Company. The JV Parties have agreed to make the capital contribution in cash in two stages. The First Capital Contribution as set out above shall be made by the JV Parties within 5 Working Days from the effective date of the Investment Agreement. The Second Capital Contribution as set out above shall be made by the JV Parties within 10 Working Days after receipt of written notice from the Organising Team that preliminary works for the establishment of the JV Company have been accomplished in accordance with the request by the CIRC.

Each of the First Capital Contribution and the Second Capital Contribution to be made by the Company under the Investment Agreement will be funded by the Group's internal resources.

If approval is not granted by the CIRC by the 6th month after the acceptance of the application of the establishment of the JV Company, the JV Parties may choose to continue to proceed with the application upon unanimous agreement. If any of the JV Parties chooses to terminate the application, the application shall be terminated and audit shall be conducted against the expenses incurred, and the balance of the capital contribution made by the JV Parties shall be refunded to them in proportion to their respective capital contribution to the JV Company.

If the CIRC rejects the application for the establishment of the JV Company, the Investment Agreement will be automatically terminated.

Board composition

The board of the JV Company shall consist of 9 directors. The Organising Team and the Management Team are entitled to nominate 2 JV Directors, while SZ Hulian and BJ Artix together are entitled to nominate 1 JV Director, and each of the Company, TJ Junfeng, BJ Zhongyi and XJ Dingxin is entitled to nominate 1 JV Director. 2 JV Directors shall be independent directors.

JV Shares to be held by the Organising Team and the Management Team

The JV Parties have agreed that, after the establishment of the JV Company, SZ Hulian, BJ Artix, TJ Junfeng and BJ Mingde shall transfer 5,000,000, 5,000,000, 10,000,000 and 30,000,000 JV Shares to the Organising Team respectively. Such an aggregate of 50,000,000 JV Shares (“**Bonus JV Shares**”) to the Organising Team is a reward to the Organising Team for their effort in the establishment of the JV Company. The Organising Team shall not transfer such Bonus JV Shares within 5.5 years after the establishment of the JV Company.

The JV Parties have also agreed that, within one year after the establishment of the JV Company, the Management Team may establish a holding company which would be entitled to purchase 5,000,000, 5,000,000, 10,000,000 and 30,000,000 JV Shares from SZ Hulian, BJ Artix, TJ Junfeng and BJ Mingde respectively, at the price of RMB1 per JV Share. Such an aggregate of 50,000,000 JV Shares is equivalent to 5% of the issued share capital of the JV Company as at the date of its establishment.

It is a term of the Investment Agreement that, within 6 months after the 5th anniversary of the establishment of the JV Company, if the value of the JV Shares is less than RMB2 per JV Share, SZ Hulian, BJ Artix, TJ Junfeng and BJ Mingde are entitled to request the Organising Team to transfer 50% of their respective contribution to the Bonus JV Shares back to them at nil consideration. Such option shall be exercised once only. If any of SZ Hulian, BJ Artix, TJ Junfeng and BJ Mingde wishes to exercise such option, a written request shall be made by the holder of such option within 30 days after the 5th anniversary of the establishment of the JV Company, failing which the holder of such option shall be deemed to have given up such option permanently.

Conditions Precedent

The Investment Agreement will become effective only upon the fulfillment of the following conditions:

- (1) the JV Parties having signed and affixed their respective common seals to the Investment Agreement; and
- (2) the Investment Agreement and the capital contribution proposed to be made by the Company having been approved by the Shareholders or the Directors or other authorities pursuant to the articles of association of the Company and the GEM Listing Rules.

In the event that the above conditions precedent have not been fulfilled on or before 30 June 2014, the Investment Agreement shall lapse and thereafter neither party to the Investment Agreement shall have any rights or obligations towards each other.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT

The Company, through its subsidiaries, is principally engaged in the research, development, manufacture, marketing and sale of wireless fire alarm systems and related products, the development of travel and leisure business and investment holding.

The Directors consider that the insurance industry in the PRC is growing and believe that the entering into of the Investment Agreement and the establishment of the JV Company represent an opportunity for the Group to diversify its business and enhance the Shareholders' value.

The terms of the Investment Agreement were arrived at after arm's length negotiation between the JV Parties, the Organising Team and the Management Team. The Board considers that the terms of the Investment Agreement are on normal commercial terms, fair and reasonable, and are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the applicable percentage ratios under the GEM Listing Rules in respect of the establishment of the JV Company exceeds 25% but less than 100%, the entering into of the Investment Agreement constitutes a major transaction of the Company under the GEM Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. The SGM will be

“First Capital Contribution”	the capital contribution in the aggregate amount of RMB5,000,000 by the JV Parties pursuant to the terms and conditions of the Investment Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“H Share(s)”	overseas-listed foreign invested shares in the ordinary share capital of the Company, with a nominal value of RMB0.1 and subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and connected persons of the Company and “Independent Third Parties” shall be construed accordingly
“Investment Agreement”	the investment agreement dated 9 January 2014 entered into between the JV Parties, the Organising Team and the Management Team
“JV Company”	a joint venture company to be established with limited liability in the PRC in accordance with the terms and conditions of the Investment Agreement
“JV Directors”	the directors of the JV Company
“JV Parties”	collectively, the Company and the JV Partners
“JV Partners”	collectively, SZ Hulian, BJ Artix, TJ Junfeng, BJ Zhongyi, Xinjiang Dingxin, BJ Mingde and Xinjiang Qianyuan.
“JV Share(s)”	the share(s) of the JV Company of RMB1 each
“Management Team”	the team which is responsible for the management of the JV Company after the establishment of the JV Company, which is represented by Mr. Zhou Ji (周霽), each member as the team an Independent Third Party

“Organising Team”	the team which is responsible for the establishment of the JV Company and the obtaining of the requisite licenses for commencement of operation by the JV Company, which is represented by Mr. Zhou Ji (周霽), each member of the team an Independent Third Party
“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	renminbi, the lawful currency of the PRC
“Second Capital Contribution”	the capital contribution in the aggregate amount of HK\$995,000,000 by the JV Parties pursuant to the terms and conditions of the Investment Agreement
“SGM”	a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the entering into of the Investment Agreement and the transactions contemplated thereunder
“Shares”	the ordinary shares of RMB0.1 each in the issued share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Hulian”	深圳市互聯新天地信息技術有限公司 (Shenzhen Hulian Xintiandi Information Technology Company Limited [#]), a company incorporated with limited liability in the PRC and is principally engaged in technology development and sale of electronic products
“TJ Junfeng”	天津市峻峰鋼材貿易有限公司 (Tianjin Junfeng Steel Trade Co., Ltd. [#]), a company incorporated with limited liability in the PRC and is principally engaged in the sale of metallic products

“Working Day”	any normal working day other than a public holiday in the PRC
“XJ Dingxin”	新疆鼎新華域股權投資有限公司 (Xinjiang Dingxin Huayu Equity Investment Company Limited [#]), a company incorporated with limited liability in the PRC and is principally engaged in investment holding
“XJ Qianyuan”	新疆乾元潤德股權投資有限公司 (Xinjiang Qianyuan Runde Equity Investment Company Limited [#]), a company incorporated with limited liability in the PRC and is principally engaged in investment holding
“%”	per cent.

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

Beijing, the PRC
9 January 2014

Denotes English translation of a Chinese company or entity name and is provided for identification purpose only

As at the date of this announcement, Mr. Xu Zhendong, Mr. Xu Zhixiang and Mr. Zhang Wanzhong are executive Directors, Mr. Zhang Yongli, Mr. Chen Zongbing and Ms. Zheng Zhong are non-executive Directors and Mr. Cai Chuanbing, Mr. Li Juncai, Mr. Shao Jiulin and Mr. Lin Yan are independent non-executive Directors.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at “www.jbu.com.cn”.