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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)

CONTINUING CONNECTED TRANSACTIONS

SUPPLY OF EMBEDDED SYSTEM PRODUCTS TO CONNECTED PERSONS

The Group had sold certain Embedded System Products to connected persons during the years ended 31 December 2003, 2004, 2005 and 2006. The transactions will continue for the years ending 31 December 2007 and 2008.

For the purposes of the GEM Listing Rules, the supply of Embedded System Products to Shanghai Jade Bird Fire and BJ Beida Jade Bird IS carried out during the years ended 31 December 2003, 2004, 2005 and 2006 and to be carried out during the years ending 31 December 2007 and 2008 are on a continuing basis and extended over a period of time. They are transactions in the ordinary and usual course of the Company's business. The aggregate consideration on an annual basis is less than HK\$10,000,000. By reference to certain of the percentage ratios prescribed by Rule 19.07 of the GEM Listing Rules, each of the percentage ratios is less than 2.5% for the year ended 31 December 2003 and 2004 while certain of the percentages exceeds 2.5% but less than 25% for the year ended 31 December 2005, 2006, 2007 and 2008. Accordingly, the supplies of Embedded System Products to Shanghai Jade Bird Fire and BJ Beida Jade Bird IS for the years ended 31 December 2003, 2004, 2005 and 2006 and for the years ending 31 December 2007 and 2008 constitute continuing connected transactions under Rule 20.14 of the GEM Listing Rules and are subject to announcement publication and reporting requirements but are exempted from independent shareholders' approval requirements under Rule 20.34 of the GEM Listing Rules.

All the continuing connected transactions had been reported in the latest published 2006 annual report of the Company.

The Company has breached Rule 20.45 to 20.47 of the GEM Listing Rules relating to the announcement and reporting requirements with respect to the supply of fire alarm system products to Shanghai Jade Bird Fire for the years ended 31 December 2003, 2004, 2005 and 2006 and supply of network management products and firewall products to BJ Beida Jade Bird IS for the years ended 31 December 2005 and 2006. The delay in disclosure of the continuing connected transaction constitutes a breach of the GEM Listing Rules. The Stock Exchange reserves its rights to take appropriate actions against the Company.

INTRODUCTION

The Group had sold certain Embedded System Products to connected persons during the years ended 31 December 2003, 2004, 2005 and 2006. These transactions fall within the disclosure requirements of the GEM Listing Rules and are required to be disclosed to Shareholders.

DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS

Supply of fire alarm system products to Shanghai Jade Bird Fire

Date	:	15 May 2007
Parties	:	(1) Shanghai Jade Bird Fire (as Buyer) (2) Hebei Fire Alarm (as Seller)
Duration	:	the supply agreement is treated to have come into effect on 20 August 2003 and shall remain in force for a term of approximately 28 months, being ended on 31 December 2005. The supply agreement is renewed to a term of three years thereafter, subject to the termination clause in the agreement
Nature of Transaction	:	supply of fire alarm system products from Hebei Fire Alarm to Shanghai Jade Bird Fire
Annual Cap	:	in an estimate aggregate amount of approximately RMB6,600,000 (equivalent to approximately HK\$6,671,940) for each of the two years ending 31 December 2007 and 2008

Hebei Fire Alarm is principally engaged in technology research, development, manufacture and sale of fire alarm system products. Shanghai Jade Bird Fire is principally engaged in sale of fire extinguishing equipments and facilities.

The above Annual Cap is only in respect of the transaction amount for each of the two years ending 31 December 2007 and 2008. The Annual Cap was estimated based on the annual transaction values of the supply for the years ended 31 December 2003, 2004, 2005 and 2006 respectively and the expected growth in the annual transaction value for each of the two years ending 31 December 2007 and 2008. The Directors (including the independent non-executive Directors) consider that such Annual Cap is fair and reasonable.

Throughout the years ended 31 December 2003, 2004, 2005 and 2006, Hebei Fire Alarm sold fire alarm system products to Shanghai Jade Bird Fire for the amount of RMB1,096,994.85, RMB3,525,513.86, RMB4,788,892.01 and RMB6,484,065.43 (equivalent to approximately HK\$1,108,952.10, HK\$3,563,941.96, HK\$4,841,090.93 and HK\$6,554,741.74) respectively. Gross profits for the transactions were approximately RMB497,596.86, RMB1,362,611.11, RMB1,616,251.05 and RMB1,707,902.83 (equivalent to approximately HK\$503,020.67, HK\$1,377,463.57, HK\$1,633,868.19 and HK\$1,726,518.97) respectively. The supply was conducted under ordinary and usual course of business of Hebei Fire Alarm. The cash consideration, on an annual basis, was determined in normal commercial terms with reference to similar sales transactions to independent third party during the corresponding periods.

Supply of network management products and firewall products to BJ Beida Jade Bird IS

Date	:	15 May 2007
Parties	:	(1) BJ Beida Jade Bird IS (as Buyer) (2) Wuhan Netsoft (as Seller)
Duration	:	the supply agreement is treated to have come into effect on 1 January 2006 and shall remain in force for a term of three years thereafter, subject to the termination clause in the agreement
Nature of Transaction	:	supply of network management products and firewall products from Wuhan Netsoft to BJ Beida Jade Bird IS
Annual Cap	:	in an estimate aggregate amount of approximately RMB2,800,000 (equivalent to approximately HK\$2,830,520) for each of the two years ending 31 December 2007 and 2008

Wuhan Netsoft is principally engaged in research, development, production and sale of network management products and provision of network systems integration services. BJ Beida Jade Bird IS is an application service provider and is principally engaged in the provision of total solution services for application specific integrated circuit and software.

The above Annual Cap is only in respect of the transaction amount for each of the two years ending 31 December 2007 and 2008. The Annual Cap was estimated based on the annual transaction value of supply for the years ended 31 December 2006 and the expected growth in the annual transaction value for the each of the two years ending 31 December 2007 and 2008. The Directors (including the independent non-executive Directors) consider that such Annual Cap is fair and reasonable.

Wuhan Netsoft entered into four contracts with BJ Beida Jade Bird IS for the supply of network management products and firewall products on 28 March 2006, 30 May 2006, 20 August 2006 and 13 October 2006 respectively. The considerations of the contracts were RMB21,367.52, RMB7,008.55, RMB854,700.85 and RMB1,709,401.71 respectively. In addition, the Company itself supplied same kind of products to BJ Beida Jade Bird IS for an amount of RMB133,675.00. Total consideration was RMB2,726,153.63 (equivalently to approximately HK\$2,755,868.70) and total gross profit was approximately RMB2,348,376.07 (equivalent to approximately HK\$2,373,973.37) for the year ended 31 December 2006. Throughout the years ended 31 December 2005, Wuhan Netsoft and the Company itself supplied network management products and firewall products at a total consideration of RMB52,137.00 (equivalently to approximately HK\$52,705.29) with gross profit of RMB45,427.50 (equivalently to approximately HK\$45,922.72). The cash consideration was determined in normal commercial terms with reference to similar sales transactions with independent third party during the year.

RELATIONSHIP BETWEEN THE PARTIES TO THE CONNECTED TRANSACTIONS

Beida Jade Bird is one of the promoters of the Company. Shanghai Jade Bird Fire is a non wholly-owned subsidiary of Jade Bird Security System. Jade Bird Security System is in turn a non-wholly-owned subsidiary of Beida Jade Bird. Shanghai Jade Bird is therefore considered as an associate of Beida Jade Bird under Rule 25.04 of the GEM Listing Rules. Hebei Fire Alarm is a non wholly-owned subsidiary of the Company. Shanghai Jade Bird is thus a connected person of the Company under Rule 20.11(4) of the GEM Listing Rules.

BJ Beida Jade Bird IS is a non wholly-owned subsidiary of Beijing BIS. Beijing BIS is in turn a non wholly-owned subsidiary of Beijing Tianqiao. Beida Jade Bird controls the composition of the majority of the board of directors of Beijing Tianqiao. BJ Beida Jade Bird IS is therefore considered as an associate of Beida Jade Bird under Rule 25.04 of the GEM Listing Rules. Wuhan Netsoft is a non wholly-owned subsidiary of the Company. BJ Beida Jade Bird IS is thus a connected person of the Company under Rule 20.11(4) of the GEM Listing Rules.

IMPLICATIONS ON THE GEM LISTING RULES

For the purposes of the GEM Listing Rules, the supply of Embedded System Products to Shanghai Jade Bird Fire and BJ Beida Jade Bird IS carried out during the years ended 31 December 2003, 2004, 2005 and 2006 and to be carried out during the years ending 31 December 2007 and 2008 are on a continuing basis and extend over a period of time. They are transactions in the ordinary and usual course of the Company's business. The aggregate consideration for both transactions on an annual basis is less than HK\$10,000,000. By reference to certain of the percentage ratios prescribed by Rule 19.07 of the GEM Listing Rules, each of the percentage ratios is less than 2.5% for the year ended 31 December 2003 and 2004 while certain of the percentages exceeds 2.5% but less than 25% for the year ended 31 December 2005, 2006, 2007 and 2008. Accordingly, the supplies of Embedded System Products to Shanghai Jade Bird Fire and BJ Beida Jade Bird IS for the years ended 31 December 2003, 2004, 2005, 2006 and for the years ending 31 December 2007 and 2008 constitute continuing connected transactions under Rule 20.14 of the GEM Listing Rules and are subject to announcement publication and reporting requirements but are exempted from independent shareholders' approval requirements under Rule 20.34 of the GEM Listing Rules.

The Company has breached Rule 20.45 to 20.47 of the GEM Listing Rules relating to the announcement and reporting requirements with respect to the supply of fire alarm system products to Shanghai Jade Bird Fire for the years ended 31 December 2003, 2004, 2005 and 2006 and supply of network management products and firewall products to BJ Beida Jade Bird IS for the years ended 31 December 2005 and 2006. The Company should have announced and reported the continuing connected transactions during the corresponding years under the GEM Listing Rules. The delay in disclosure was due to an oversight of the Company since the transactions were conducted between non wholly-owned subsidiaries indirectly owned by the Company and connected persons. To avoid further similar delay in the future, the Directors will closely monitor and review the supply of Embedded System Products to connected persons and will take prompt actions to make necessary disclosure and obtain independent shareholders' approval as required under the GEM Listing Rules. In addition, the Directors have taken necessary measures to strengthen the Company's communication system, information collection system and training program, especially for operational managerial staff not involved in the financial reporting system, to ensure their familiarity and compliance with the GEM Listing Rules.

All the continuing connected transactions had been reported in the latest published 2006 annual report of the Company.

The supply of Embedded System Products to Shanghai Jade Bird Fire and BJ Beida Jade Bird IS will be subject to annual review by the independent non-executive Directors pursuant to Rule 20.37 of the GEM Listing Rules and confirmation of the auditors of the Company pursuant Rule 20.38 of the GEM Listing Rules.

The delay in disclosure of the continuing connected transactions constitute a breach of the GEM Listing Rules. The Stock Exchange reserves its rights to take appropriate actions against the Company.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group is principally engaged in the research, development, manufacture, marketing, and sale of Embedded System Products including network security products, wireless fire alarm systems and related products. The Group is also engaged in the sales of computer products and provision of total solutions services through the applications of its existing Embedded System Products. The Directors considers that the supply of Embedded System Products to connected persons is in consistence with the business and commercial objectives of the Group. The transactions provided reasonable revenue and profits to the Group.

VIEWS OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Directors (including the independent non-executive directors) consider that the terms of the supply of fire alarm products to Shanghai Jade Bird Fire and network management products and firewall products to BJ Beida Jade Bird IS are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole. They have reviewed the supplies of Embedded System Products to Shanghai Jade Bird Fire and BJ Beida Jade Bird IS and have considered that these transactions have been made in the ordinary and usual course of business of the Group and on terms representing normal commercial terms.

DEFINITIONS

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

“Annual Cap”	the maximum aggregate annual value of the Continuing Connected Transactions referred in this announcement for the relevant year being set by the Company
“Beida Jade Bird”	北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited), a company incorporated in PRC with limited liability and is one of the promoters of the Company

“Beijing BIS”	北京北大青鳥商用信息系統有限公司 (Beijing Beida Jade Bird BIS Company Limited), a company incorporated in PRC with limited liability and is a non wholly-owned subsidiary of Beida Tianqiao. It is 80% beneficially held by Beida Tianqiao and 20% beneficially held by 上海北大青鳥商用信息系統有限公司 (Shanghai Beida Jade Bird BIS Company Limited), another company incorporated in PRC with limited liability and is a subsidiary of Beida Jade Bird
“Beijing Tianqiao”	北京天橋北大青鳥科技股份有限公司 (Beijing Tianqiao Beida Jade Bird Sci-Tech Company Limited), a joint stock limited company incorporated in PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange in PRC. It was a promoter of the Company
“BJ Beida Jade Bird IS”	北京北大青鳥信息系統有限公司 (Beijing Beida Jade Bird Information System Company Limited), a company incorporated in PRC with limited liability and is a non wholly-owned subsidiary of Beijing BIS. It is 78.7% beneficially held by Beijing BIS and 21.3% beneficially held by other independent third parties
“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 PRC with limited liability with its H shares listed on GEM
“Directors”	the directors of the Company
“Embedded System Products”	Products which have incorporated the Company’s embedded systems. Embedded systems consist of a microprocessor and related software dedicated to a specific task or set of tasks. Particularly in this announcement, Embedded System Products refer to fire alarm system products, network management products and firewall products collectively
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hebei Fire Alarm”	河北北大青鳥環宇消防設備有限公司 (Hebei Beida Jade Bird Universal Fire Alarm Device Company Limited), a company incorporated in PRC with limited liability and is a non wholly-owned subsidiary of the Company. It is 65.22% beneficially held by the Company and 34.78% beneficially held by 13 third parties
“HK\$”	Hong Kong dollars

“Jade Bird Security System”	北京北大青鳥安全系統工程技術有限公司 (Beijing Beida Jade Bird Security System Engineering Technology Company Limited), a company incorporated in PRC with limited liability and is a non wholly-owned subsidiary of Beida Jade Bird. It is 80% beneficially held by Beida Jade Bird and 20% beneficially held by 北京市北大青鳥軟件系統公司 (Beijing Beida Jade Bird Software System Company) , another company incorporated in PRC with limited liability and is one of the promoters of the Company
“PRC”	the People’s Republic of China
“RMB”	Reminbi
“Shanghai Jade Bird Fire”	上海北大青鳥消防設備銷售有限公司 (Shanghai Beida Jade Bird Fire Equipment Marketing Company Limited), a company incorporated in PRC with limited liability and is a non wholly-owned subsidiary of Jade Bird Security System. It is 51% beneficially held by Jade Bird Security System and 49% beneficially held by 4 independent third parties
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhan Netsoft”	武漢北大青鳥網軟有限公司 (Wuhan Beida Jade Bird Netsoft Company Limited), a company incorporated in PRC with limited liability and is a non wholly-owned subsidiary of the Company. It is 57.36% beneficially held by the Company and 42.64% beneficially held by 9 independent third parties
“%”	per cent

Unless otherwise specified in this announcement and for the purpose of illustration only, translation rates have been used as follows:

HK\$1.0109 = RMB1.00

No representation is made that any amounts in RMB or HK\$ have been or could be converted at the above rates or any other rates or at all.

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

Beijing, the PRC, 15 May 2007

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

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