

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Beijing Beida Jade Bird Universal Sci-Tech Company Limited, you should at once hand this circular, together with the enclosed form of proxy and reply slip to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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

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

(Stock Code: 8095)

**MAJOR TRANSACTION
RELATING TO
PROVISION OF FINANCIAL ASSISTANCE
TO
JINSHENG INTERNATIONAL GROUP (HONG KONG) LIMITED**

A notice convening a special general meeting of the Company to be held at Conference Room 310, 3rd Floor Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC on Thursday, 17 April 2008 at 11:00 a.m. is set out on pages 23 to 24 of this circular. For holders of H Shares, whether or not you are able to attend the meeting, please complete and return the enclosed reply slip to the office of the Company's H share registrar in Hong Kong, Hong Kong Registrars Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 4:30 p.m. on Friday, 28 March 2008 and the form of proxy in accordance with the instructions printed thereon to the office of Hong Kong Registrars Limited not less than 24 hours before the time appointed for the holding of the special general meeting. For holders of the Promoter Shares, whether or not you are able to attend the meeting, please complete and return the enclosed reply slip and form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company in Beijing at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC as soon as practicable but in any event, for the reply slip, on or before 4:30 p.m. on Friday, 28 March 2008 and for the form of proxy, not less than 24 hours before the time appointed for the holding of the special general meeting. Completion of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

A letter from the Board is set out on pages 4 to 11 of this circular.

This circular will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for at least 7 days from the date of this circular.

29 February 2008

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“Agreement”	the US\$ senior secured term loan facility agreement entered into between Jinsheng HK as borrower and BJBU Development as lender on 28 December 2007
“Assistance”	the transaction of provision of Facility to Jinsheng HK
“BJBU Development”	Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited, a limited company incorporated in the Cayman Islands
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company
“Drawdown Date”	the date on which any single lump sum drawing under the Facility is made by Jinsheng HK, which was 31 December 2007
“Facility”	the US\$ senior secured term loan facility in a maximum amount of US\$18 million (equivalent to approximately RMB131,483,000) made available under the Agreement
“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
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“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

DEFINITIONS

“Jinsheng BVI”	Jinsheng International Group (BVI) Limited, a limited company incorporated in the British Virgins Islands. It holds 100% equity interests in Jinsheng HK
“Jinsheng HK”	Jinsheng International Group (Hong Kong) Limited, a limited company incorporated under the Companies Ordinance in Hong Kong
“Jinsheng HK Share(s)”	Issued share(s) of Jinsheng HK of par value HK\$1.00 each
“Latest Practicable Date”	27 February 2008, being the latest practicable date prior to printing of this circular for ascertaining certain information contained herein
“PRC”	People’s Republic of China
“Promoter Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB0.1 each which are subscribed for by the promoters of the Company
“Refinancing Facility”	US\$65 million (equivalent to approximately RMB474,799,000) senior secured term loan facility and the US\$150 million (equivalent to approximately RMB1,095,690,000) partially exchangeable senior secured term loan facility to be arranged by Merrill Lynch (Asia Pacific) Ltd. or an affiliate or subsidiary of it for Jinsheng HK
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	special general meeting
“Share Charge”	The share charge executed by Jinsheng BVI by way of a first fixed charge all its rights, title and interest in and to thirty six Jinsheng HK Shares (and including all shares to be issued in the future or bonus stock or shares or other new securities of a similar nature) beneficially owned by it in favour of BJBU Development
“Shareholders”	shareholders of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

DEFINITIONS

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

$$\text{RMB7.3046} = \text{US\$1.00}$$

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

LETTER FROM THE BOARD



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: 8095)

Executive Directors:

Mr. Xu Zhen Dong (*Chairman*)
Mr. Xu Zhi Xiang
Mr. Zhang Wan Zhong

Non-executive Directors:

Mr. Liu Yong Jin
Mr. Hao Yi Long
Mr. Li Li Xin

Independent non-executive Directors:

Professor Nan Xiang Hao
Professor Chin Man Chung, Ambrose
Mr. Cai Chuan Bing

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*Principal place of business
in the PRC:*

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No. 207 Chengfu Road
Haidian District
Beijing 100871
PRC

*Principal place of business
in Hong Kong:*

Unit 02, 7th Floor
Asia Pacific Centre
8 Wyndham Street
Central
Hong Kong

29 February 2008

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
RELATING TO PROVISION OF FINANCIAL ASSISTANCE TO
JINSHENG INTERNATIONAL GROUP (HONG KONG) LIMITED**

INTRODUCTION

The Board announced that on 28 December 2007, Jinsheng HK and BJB Development, a wholly owned subsidiary of the Company, entered into an Agreement pursuant to which Jinsheng HK agreed to borrow and BJB Development agreed to lend a Facility in a maximum amount of US\$18 million (equivalent to approximately

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RMB131,483,000) for a period of four months at an interest rate of 30% per annum. The Facility is secured by a Share Charge. An amount of US\$17.82 million (equivalent to approximately RMB130,168,000), being the Facility amount of US\$18 million (equivalent to approximately RMB131,483,000) net of a front-end fee of US\$180,000 (equivalent to approximately RMB1,315,000), was advanced by BJBU Development to Jinsheng HK on 31 December 2007.

PRINCIPAL TERMS OF THE AGREEMENT

Date of the Agreement

28 December 2007

Parties involved in the Agreement

Borrower: Jinsheng International Group (Hong Kong) Limited

Lender: Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited, a wholly owned subsidiary of the Company

The Company confirms that to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Jinsheng HK and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company. Jinsheng HK and the Group have no business relationship up to date of the circular.

Amount and duration of the Facility

The amount of the Facility is a maximum lump sum of US\$18 million (equivalent to approximately RMB131,483,000). The Facility will mature four months from the Drawdown Date. The proceeds shall be used exclusively by Jinsheng HK to pay up and contribute to the unpaid portion of the registered capital of Nanjing Jinsheng International Household Market Operating and Management Co., Ltd., which is a subsidiary of Jinsheng HK incorporated in the PRC, and to finance the payment of the fees, costs and expenses incurred or suffered by BJBU Development under or pursuant to the Agreement. That subsidiary is a third party independent of the Company. Any part of the Facility undrawn shall be cancelled and shall not thereafter be available. Jinsheng HK shall not be entitled to re-borrow any amounts so repaid.

Jinsheng HK agreed to reimburse to BJBU Development on a full indemnity basis all fees, costs and expenses relating to negotiation, preparation and execution of the Agreement. In addition, Jinsheng HK shall pay a front-end fee in the amount of US\$180,000 (equivalent to approximately RMB1,315,000) to BJBU Development on the Drawdown Date or the date falling 30 days after the date of the Agreement. An aggregate amount of US\$226,089 (equivalent to approximately RMB1,651,000) had been paid by Jinsheng HK for the settlement of the above fees and expenses. In accordance with the unaudited financial statements of Jinsheng HK prepared in accordance with International Financial Reporting Standards, Jinsheng HK and its subsidiaries had a consolidated net asset value of approximately RMB215,267,000 as at 31 December 2006.

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An amount of US\$17.82 million (equivalent to approximately RMB130,168,000), being the Facility amount of US\$18 million (equivalent to approximately RMB131,483,000) net of the front-end fee of US\$180,000 (equivalent to approximately RMB1,315,000), was advanced by BJBU Development to Jinsheng HK on 31 December 2007 by cash from internal source of fund. The Facility will thus mature on 30 April 2008. Immediately before the Assistance, BJBU Development and the Group as a whole had cash positions of around US\$19 million (equivalent to approximately RMB138,787,000) and US\$119.5 million (equivalent to approximately RMB872,900,000) respectively.

The amount of the Facility was determined with reference to credit assessment of Jinsheng HK conducted by the Group, risk level acceptable and the amount of idle fund available by the Group during the period of the Facility. The Group performed the credit assessment by reviewing the unaudited financial statements of Jinsheng HK for the three years ended 31 December 2006, discussion with its board of directors and senior management about its operation and future development, site visit of its factories in the PRC and review of industrial data. The Group understood from the board of directors of Jinsheng HK and financial statements that Jinsheng HK and its subsidiaries (“**Jinsheng Group**”) engaged in the home furnishing industry. The Group is optimistic about the business of Jinsheng Group as it has strong brand recognition and has established a leadership position in the market. Jinsheng Group is the number-one home-furnishing market player in Nanjing and Shanghai ranked by customer volume and number-one home furnishing market player for Nanjing and number-two market player for Shanghai ranked by sales proceeds. The Company has attracted more than 3,500 PRC and overseas brand name tenants with a diverse array of products including bathroom fixtures, building materials and fixtures. Jinsheng Group has also established long-term partnerships with about 200 brands and vendors, who will form the core tenant group in Jinsheng Group’s new malls and reduce the lease-up risk for new markets. The Group summarises various industrial data and notes that fast growing PRC economy and increase in people’s wealth provide room for the growth of Jinsheng HK’s business. Jinsheng HK and its subsidiaries had a strong and healthy cash flow from operating activities for the three years ended 31 December 2006. Unaudited net cash inflow from operating activities climbed up from RMB111 million in year 2004 to RMB243 million in year 2006. The Group believes that this situation will continue given the business model of Jinsheng HK and its subsidiaries in leasing of shopping malls to high quality brand names and the expected growth in home furnishing market. The Directors opines that the risk of the Assistance is low and Jinsheng HK will be able to repay the Assistance together with interests promptly at maturity.

The Group’s earnings and net assets remain unchanged immediately after the Assistance.

Upon maturity of the Assistance, the Group’s earnings and net assets will further increase in a maximum amount of US\$1.8 million (equivalent to approximately RMB13,148,000) being the maximum interest income receivable from Jinsheng HK.

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Interest on the Facility

Any part of the Facility drawn by Jinsheng HK is subject to an interest charged at 30% per annum. Interest shall be paid in US dollars in arrears by Jinsheng HK to BJB Development on maturity of the Facility. Notwithstanding the above provision, Jinsheng HK obliges to pay a minimum interest payment which equals to the lower of:

- (i) US\$1,350,000 (equivalent to approximately RMB9,861,000), being the amount of the Facility multiplied by 7.5%, or
- (ii) The amount of interest which shall have an effective rate (as defined in section 2 of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)) of 60% per annum (or such other percentage as may be specified and in force for the purpose of section 24(1) of that Ordinance) and not exceeding that percentage.

Share Charge of the Facility

The Facility is secured by a share charge executed by Jinsheng BVI by way of a first fixed charge all its rights, title and interest in and to thirty six Jinsheng HK Shares of par value HK\$1.00 each (and including all shares to be issued in the future or bonus stock or shares or other new securities of a similar nature) beneficially owned by it in favour of BJB Development. It represents 36% of all issued shares of Jinsheng HK as at date of Agreement. Based on the unaudited consolidated net asset value of Jinsheng HK as at 31 December 2006, the Share Charge has a value of approximately US\$10.6 million (equivalent to approximately RMB77,429,000) or US\$294,000 per share (equivalent to approximately RMB2,151,000 per share).

Prepayment of the Facility

Jinsheng HK is allowed to prepay any part of the Facility drawn after 45 days from the Drawdown Date. On the other hand, BJB Development can request Jinsheng HK to prepay any part of the Facility drawn on demand if any of the following event(s) occurs:

- (i) any direct or indirect sale, transfer or other disposition of any equity capital of Jinsheng HK or any of its subsidiaries;
- (ii) any direct or indirect sale, transfer or other disposition of any property, assets or undertaking of Jinsheng HK or any of its subsidiaries other than any sale, transfer or disposition in the ordinary and usual course of business that, together with any related dispositions, yields aggregate net proceeds of less than US\$10 million (equivalent to approximately RMB73,046,000) (or its RMB equivalent);
- (iii) any public or private issuance and/or placement of any equity capital, bonds, commercial notes or papers, or other equity-linked debt securities by Jinsheng HK or any of its subsidiaries.

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Right to participate in Refinancing Facility

Jinsheng HK shall ensure and procure that if any funding for any proposed prepayment of any part of the Facility drawn shall come or be derived from any part of the Refinancing Facility, BJBU Development shall be notified promptly of the proposal of the Refinancing Facility and the terms thereof and shall be offered to participate in it. So far as the Group knows, the Refinancing Facility is in a preliminary stage. Up to Latest Practicable Date, the Group has not received any affirmative information about the final terms and successfulness of the Refinancing Facility. The Group has not committed to participate in any Refinancing Facility.

Others

The terms of the Agreement were arrived at after arm's length negotiation between Jinsheng HK and BJBU Development. The Board, including the independent non-executive Directors, considers the terms of the Agreement to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF JINSHENG HK

Jinsheng HK is limited company incorporated in Hong Kong. It and its subsidiaries are principally engaged in the operation and leasing of shopping malls in home furnishing and home decoration business in the PRC.

Set out below is the unaudited consolidated results of Jinsheng HK and its subsidiaries for the two years ended 31 December 2006 and its unaudited consolidated net assets value as at 31 December 2005 and 2006, as extracted from its unaudited consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards:

	For the year ended	
	31 December	
	2006	2005
	RMB'000	RMB'000
Turnover	418,199	272,996
Net profit from continuing operation before taxation	233,396	108,152
Net profit from continuing operation after taxation	157,039	72,037

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	As at 31 December	
	2006	2005
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets	758,822	1,514,784
Current assets	1,114,559	654,176
	<u>1,873,381</u>	<u>2,168,960</u>
Total assets	<u>1,873,381</u>	<u>2,168,960</u>
Current liabilities	(1,069,701)	(1,575,150)
Non-current liabilities	(588,413)	(208,214)
	<u>(1,658,114)</u>	<u>(1,783,364)</u>
Total liabilities	<u>(1,658,114)</u>	<u>(1,783,364)</u>
Net assets	<u>215,267</u>	<u>385,596</u>

INFORMATION OF BJBU DEVELOPMENT

BJBU Development is a limited company incorporated in the Cayman Islands and is a wholly owned subsidiary of the Company. It is principally engaged in investment holdings.

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.

REASONS FOR THE ASSISTANCE

Jinsheng HK has temporary short term need of fund whereas the Group has idle fund available which matches with Jinsheng HK's need. After introduced by Merrill Lynch (Asia Pacific) Ltd and conduction of the credit assessment, the Group is satisfactory with Jinsheng HK's financial position and credibility. The Assistance provides an opportunity for the Group to get a high rate of return for its capital in a short period of time. At the maturity of the Assistance, the Group will be able to receive a maximum interest income of US\$1.8 million (equivalent to approximately RMB13,148,000). The Group is able to get further return by way of interest income in participation in any future refinancing arrangement under the Refinancing Facility if it proceeds. So far as the Group knows, Jinsheng HK targets to list its stock to the public. As a mutual consent between Jinsheng HK and the Group, Jinsheng HK actively considers offer a pre-emptive right to the Group for application of future public offer shares if the Group can provide the financial assistance. Details of the right has not been formulated up to date of circular.

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IMPLICATIONS UNDER GEM LISTING RULES

As the assets test ratios exceed 8%, the advance of Assistance to Jinsheng HK triggers a disclosure obligation of the Company pursuant to Rule 17.15 of the GEM Listing Rules. The advance is subject to the disclosure requirements pursuant to Rule 17.17 of the GEM Listing Rules.

As profits test ratio exceeds 25%, the Assistance also constitutes a major transaction of the Company pursuant to Rule 19.06 of the GEM Listing Rules. The Assistance is subject to the requirements pursuant to Rule 19.34 to 19.39 of the GEM Listing Rules and approval by Shareholders. No Shareholder is required to abstain from voting in the SGM.

The Company does not fully comply with Rule 19.40 of the GEM Listing Rules as the major transaction is not made conditional upon approval by Shareholders. Being no contrast provisions existed in the PRC Company Law and the Company's Articles of Associations to prohibit the Company from rectification of transaction, a SGM will be conducted to rectify the Assistance as well as the act of the Directors.

Save for the entering into of Agreement, the Group and Jinsheng HK had not involved in any other transaction within a 12 month period. The Assistance is thus not subject to Rule 19.22 of the GEM Listing Rules.

SPECIAL GENERAL MEETING

The Company will convene the SGM at Conference Room 310, 3rd Floor Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC on Thursday, 17 April 2008 at 11:00 a.m. at which ordinary resolution will be proposed for the purpose of considering and, if thought fit, approving, rectifying and confirming the Agreement in relation to the Assistance and the acts of the Directors thereof.

A notice convening the SGM is set out on pages 23 to 24 of this circular. For holders of H Shares, whether or not you are able to attend the meeting, please complete and return the enclosed reply slip to the office of the Company's H share registrar in Hong Kong, Hong Kong Registrars Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 4:30 p.m. on Friday, 28 March 2008 and the form of proxy in accordance with the instructions printed thereon to Hong Kong Registrars Limited not less than 24 hours before the time appointed for the holding of the special general meeting. For holders of the Promoter Shares, whether or not you are able to attend the meeting, please complete and return the enclosed reply slip and form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company in Beijing at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC as soon as practicable but in any event, for the reply slip, on or before 4:30 p.m. on Friday, 28 March 2008 and for the form of proxy, not less than 24 hours before the time appointed for the holding of the special general meeting. Completion of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish. There is no implications in terms of the laws of the PRC nor the Articles of Association of the Group should the ordinary resolution

LETTER FROM THE BOARD

were voted down by Shareholders in the SGM except a very remote chance of the Group being sued by not following its Articles of Association. The Group opines that this situation seldom occurs and the risk is extremely low. Nevertheless, as a best practice, BJBU Development will assign and Beijing Beida Jade Bird Limited, a substantial Shareholder of the Company, will take up all the rights, benefits and obligations attached to the Assistance in accordance with provisions set out in the Agreement if it is the case.

PROCEDURES FOR DEMANDING A POLL AT A GENERAL MEETING

Pursuant to article 75 of the articles of association of the Company, a resolution put to the vote in a general meeting of the Shareholders shall be decided on a show of hands unless a poll is demanded by:

- (a) the chairman of the meeting; or
- (b) at least two Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than 10% or more of the total voting rights of all Shareholders having the right to vote at the meeting.

before or after the show of hands

RECOMMENDATIONS

The Directors consider that the terms of the Agreement are in the interests of the Company and the Shareholders and are fair and reasonable so far as the Shareholders are concerned and recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM for approving the Agreement.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

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

1. INDEBTEDNESS

As at the close of business on 31 December 2007, being the latest practicable date for ascertaining information regarding this indebtedness statement, the Group had total outstanding borrowings of approximately RMB185.3 million which represent long-term interest-bearing bank loans of RMB10 million and an amount due to Nexgen Capital Limited (“NCL”) of approximately US\$24 million (equivalent to approximately RMB175.3 million) which represents a collateral deposited by NCL with BJBU Development in consideration of the lending of any or all of the 323,888,000 fully paid ordinary share(s) of Semiconductor Manufacturing International Corporation (“SMIC”) (Stock Code: 981) by BJBU Development to NCL pursuant to a securities lending agreement (as supplemented by a supplemental letter agreement) as disclosed in announcements of the Company dated 15 December 2006 and 18 May 2007 respectively. The Group’s long term interest-bearing bank loans were secured by mortgage over certain of the Group’s property, plant and equipment and prepaid land lease payments with net book values of approximately RMB12.9 million and nil amount as at 31 December 2007 respectively.

Contingent liabilities

Apart from intragroup liabilities, the Directors confirmed that no company in the Group had any outstanding, as at the close of business of 31 December 2007, any mortgages, charges, pledges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, acceptance liabilities or acceptance credits, any guarantees or other material contingent liabilities.

Save as aforesaid, the Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since the close of business on 31 December 2007 being the latest practicable date for ascertaining information regarding this indebtedness statement.

2. WORKING CAPITAL

The Directors, including the independent non-executive Directors, are of the opinion that, following completion of the Agreement, taking into account the financial resources available to the Group, including internally generated funds and the present available bank facilities, and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its requirements within 12 months from the Latest Practicable Date.

3. MATERIAL CHANGE

The Directors have confirmed that, as at the Latest Practicable Date, they are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2006, being the date to which the latest published audited financial statements of the Company were made up.

4. FINANCIAL INFORMATION

Performance for the nine months ended 30 September 2007

The Group's revenue for the nine month period ended 30 September 2007 ("9M07") was RMB85.9 million. It surged by 17.2% over the nine month period ended 30 September 2006 ("9M06") mainly because of the strategic adjustment in sales policy in leaning on risk-assessed credit orders during year 2007. Operating expenses was RMB31.6 million for 9M07. It decreased slightly by 2.5% over 9M06 mainly because the increase in professional fee incurred during year 2007 outweighed the Group's effort in tight control over operating costs. Finance cost was RMB18.2 million for 9M07. It rose up by 15.9% over 9M06 mainly because of the inception of the other loan due to NCL in December 2006. During the year 2007, the Group disposed its entire interest in its interest in 北京城建東華房地產開發股份有限公司 (Beijing Chengjian Donghua Real Estate Development Company Limited) ("Chengjian Donghua"), an associate of the Group immediately before disposal, at an aggregate consideration of RMB697.2 million and recorded a gain on disposal before tax of RMB386.1 million. Overall, the Group made a profit before tax of RMB348.4 million for 9M07. It represented a turnaround from loss for 9M06 in the amount of RMB34.7 million.

5. PROSPECT

The performance of the Group improves continually throughout the year. It proves that the Group has moved to right direction after adjustment in sales strategy this year. The Group believes this encouraging performance will continue. The Group aims at enriching Shareholders' value not only through concentration on the principal activities but also diversification of business through investment. The huge gain on disposal of Chengjian Donghua is a live example. The investment in 衡陽南嶽瀟湘旅遊發展有限公司 (Hengyang Nanyue Xiaoxiang Tourism Development Limited), ("Xiaoxiang Tourism"), a sino-foreign equity joint venture established with limited liability in the PRC, followed by the construction of a car terminal and tourist information centre in Hunan Province, the PRC and investment in 張家界旅遊開發股份有限公司 (Zhang Jia Jie Tourism Development Co., Ltd.), a company incorporated with limited liability in the PRC and publicly listed on the Shenzhen Stock Exchange will become another income stream to the Group. The Group will continue to search for potential profitable investment opportunity in the future and act at the best interest of Shareholders.

1. RESPONSIBILITY STATEMENT

This circular, 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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors, chief executive and supervisors of the Company in the total issued Promoter Shares and its associated corporations

As at the Latest Practicable Date, the interests (including interests in shares and short positions) of the Directors, chief executive or supervisors of the Company in the Promoter Shares of the issued share capital of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to: (a) Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them is taken or deemed to have taken under such provisions of the SFO); or (b) which will be required pursuant to section 352 of the SFO to be entered in the register referred to in that section; or (c) will be required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, will be as follows:

Long positions:

Name of Director	Note	Number of Shares held, capacity and nature of beneficial interest of a trust	Approximate % of the Company's total number of issued Promoter Shares	Approximate % of the Company's total issued share capital
Mr. Xu Zhen Dong	(a)	205,414,000	29.34%	17.34%
Mr. Xu Zhi Xiang	(a)	205,414,000	29.34%	17.34%
Mr. Zhang Wan Zhong	(a)	205,414,000	29.34%	17.34%
Mr. Liu Yong Jin	(a)	205,414,000	29.34%	17.34%

Name of supervisor of the Company	Note	Number of Shares held, capacity and nature of beneficial interest of a trust	Approximate % of the Company's total number of issued Promoter Shares	Approximate % of the Company's total issued share capital
Mr. Zhang Yong Li	(a)	205,414,000	29.34%	17.34%
Ms. Dong Xiao Qing	(a)	205,414,000	29.34%	17.34%

Note:

- (a) The above Directors and supervisors of the Company are taken to be interested in the issued share capital of the Company through their respective interests as beneficiaries, among other beneficiaries, of Heng Huat Trust. By a declaration of trust ("**Heng Huat Trust**") made as a deed on 19 July 2000, Mr. Xu Zhen Dong, Mr. Zhang Wan Zhong and Ms. Liu Yue (who has been replaced by Mr. Xu Zhi Xiang since 9 May 2003 as a trustee) declared that they held the shares of Heng Huat Investments Limited ("**Heng Huat**") as trustees for the benefits of 477 employees of Beijing Beida Jade Bird Software System Company, Beijing Beida Jade Bird Limited, Beijing Beida Yu Huan Microelectronics System Engineering Company and Beijing Tianqiao Beida Jade Bird Sci-Tech Company Limited and their respective subsidiaries and associated companies and the Company. Heng Huat is beneficially interested in the entire issued share capital of Dynamic Win Assets Limited ("**Dynamic Win**"), and is taken to be interested in 205,414,000 Shares which Dynamic Win is interested. Mr. Xu Zhen Dong, Mr. Zhang Wan Zhong and Mr. Xu Zhi Xiang (who replaced Ms. Liu Yue as a trustee on 9 May 2003 upon Ms. Liu's resignation as a trustee on the same date) are trustees holding 60, 20 and 20 shares, respectively, out of 100 shares in the issued share capital of Heng Huat.

Saved as disclosed above, none of the Directors and supervisors of the Company had registered an interest or short position in the Shares or underlying Shares or any of the Company's associated corporations that was required to be recorded pursuant to Divisions 7 and 8 of Part XV of the SFO, or pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Interests in share options

As at the Latest Practicable Date, no options have been granted by the Group pursuant to the share option scheme adopted by the Company on 5 July 2000.

3. DIRECTORS' SERVICE CONTRACTS

Except for Mr. Cai Chuan Bing whose service contract with the Company commenced on 20 October 2006, each of the Directors and supervisors of the Company has entered into a service contract with the Company for a term of three years commencing from 30 June 2006 until the date of the annual general meeting to be convened in 2009.

Save as disclosed above, none of the Directors has any existing or proposed service contracts with any member of the Group, excluding contracts expiring or determinable by the Company or any of its subsidiaries within one year without payment of compensation other than statutory compensation as at the Latest Practicable Date.

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Long positions:

	<i>Note</i>	Capacity and nature of interest	Number of ordinary Shares held	Approximate % of the Company's total number of issued Promoter Shares	Approximate % of the Company's total number of issued H Shares	Approximate % of the Company's total issued share capital
Peking University	(a)	Through controlled corporations	310,000,000	44.28%	Not applicable	26.16%
Beijing Beida Yu Huan Microelectronics System Engineering Company	(a)	Directly beneficially owned	85,000,000	12.14%	Not applicable	7.17%
Beijing Beida Jade Bird Software System Company	(a)	Directly beneficially owned	110,000,000	15.71%	Not applicable	9.28%
Beijing Beida Jade Bird Limited	(a)	Directly beneficially owned	115,000,000	16.43%	Not applicable	9.71%
Heng Huat Investments Limited	(b)	Through a controlled corporation	205,414,000	29.34%	Not applicable	17.34%
Dynamic Win Assets Limited	(b)	Directly beneficially owned	205,414,000	29.34%	Not applicable	17.34%

	<i>Note</i>	Capacity and nature of interest	Number of ordinary Shares held	Approximate % of the Company's total number of issued Promoter Shares	Approximate % of the Company's total number of issued H Shares	Approximate % of the Company's total issued share capital
Mongolia Energy Corporation Limited	(c)	Through a controlled corporation	84,586,000	12.08%	Not applicable	7.14%
New View Venture Limited	(c)	Directly beneficially owned	84,586,000	12.08%	Not applicable	7.14%
Tai Fook Securities Company Limited	(d)	Directly beneficially owned	80,800,000	Not applicable	16.67%	6.82%
Tai Fook Finance Company Limited	(d)	Through a controlled corporation	80,800,000	Not applicable	16.67%	6.82%
Tai Fook (BVI) Limited	(d)	Through a controlled corporation	80,800,000	Not applicable	16.67%	6.82%

Notes:

- (a) Peking University is taken to be interested in 26.16% of the total issued share capital of the Company through the following companies:
- (i) 85,000,000 Promoter Shares (representing approximately 7.17% of the Company's total share capital) held by 北京市北大宇環微電子系統工程公司 (Beijing Beida Yu Huan Microelectronics System Engineering Company ("Yu Huan")), which is beneficially wholly-owned by Peking University;
 - (ii) 110,000,000 Promoter Shares (representing approximately 9.28% of the Company's total share capital) held by 北京市北大青鳥軟件系統公司 (Beijing Beida Jade Bird Software System Company ("JB Software")), which is beneficially wholly-owned by Peking University; and
 - (iii) 115,000,000 Promoter Shares (representing approximately 9.71% of the Company's total share capital) held by Beida Jade Bird 北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited) ("Beida Jade Bird"), which is approximately 46% owned by Peking University.

On 21 January 2008, the Company has been notified by Yu Huan and JB Software that both companies have been entered into share transfer agreements with 杭州北大青鳥科技有限公司 (Hang Zhou Beida Jade Bird Sci-Tech Company Limited ("HZ Jade Bird"), a non wholly-owned subsidiary of Beida Jade Bird which is 80% beneficially owned by it, respectively on 18 January 2008 whereas both companies agreed to sell to HZ Jade Bird their entire equity interests in the Company (collectively the "Transfers"). The Transfers are conditional upon approvals by the board of directors of both companies and 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council). The Transfers are not effective as at the Latest Practicable Date.

- (b) The Shares are held by Dynamic Win Assets Limited, which is wholly owned by Heng Huat Investments Limited.
- (c) The Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (d) The Shares are held by Tai Fook Securities Company Limited, which is directly wholly owned by Tai Fook Finance Company Limited and indirectly wholly owned by Tai Fook (BVI) Limited.

Save as disclosed above, no person, other than the Directors and supervisors of the Company, whose interests are set out in the previous paragraphs, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to section 336 of the SFO.

5. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors, the management shareholders and substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the businesses of the Group, or may have any conflicts of interest with the Group pursuant to the GEM Listing Rules.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

7. GENERAL

- (a) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.
- (b) The principal place of business of the Company in the PRC is at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC.
- (c) The place of business of the Company in Hong Kong is at Unit 02, 7th Floor, Asia Pacific Centre, 8 Wyndham Street, Central, Hong Kong.
- (d) The share register and transfer office of the Company is Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The compliance officer of the Company is Mr. Zhang Wan Zhong ("Mr. Zhang"). Mr. Zhang graduated from Peking University with a master degree in science. He had various positions in the administrative arm of Peking University including the Deputy Head of the Remote Sensing and Geographic Information System Department.

- (f) The qualified accountant and secretary of the Company is Mr. Leung Wai Man (“**Mr. Leung**”). Mr. Leung is a fellow member of The Association of Chartered Certified Accountants and an associate member of each of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (g) Pursuant to rule 5.28 of the GEM Listing Rules, the Company has set up an audit committee. In compliance with rule 5.29 of the GEM Listing Rules, the authority and responsibility of the audit committee has been properly written out. The primary duties of the audit committee are to review the financial reporting process, internal control and corporate governance issues of the Company and make relevant recommendations to the Board. The audit committee has three members, namely the three independent non-executive Directors, Professor Nan Xiang Hao (“**Prof. Nan**”), Professor Chin Man Chung, Ambrose (“**Prof. Chin**”) and Mr. Cai Chuan Bing (“**Mr. Cai**”). Prof. Nan has been awarded various science awards such as 國家科技進步二等獎 (the Second Prize of State Technological Achievement). He is currently a part-time professor in the Graduate University of Chinese Academy of Science. Prof. Chin graduated from the Department of Oriental Language and Cultures of Peking University with a master degree in Literature. He is currently a professor of the History Department of the Fudan University and a researcher of morality and religion research centre of Tsinghua University. Mr. Cai graduated from Anhui University of Finance and Trade. He is currently the chairman of the Communications Branch of the China Institute of Internal Audit. He is also a non-executive director of Yue Da Holdings Limited (stock code: 629) whose shares are listed on the Stock Exchange.
- (h) Save as disclosed in this circular, none of the Directors is, directly or indirectly, interested in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2006, the date to which the latest published audited financial statements of the Company were made up.
- (i) Save as disclosed in this circular, there is no other contract or arrangement subsisting at the date of this circular in which a Director is materially interested and which is significant in relation to the business of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding the date of this circular which are or may be material:

1. the Agreement;
2. Limited partnership agreement entered into between BJBU Development, MS Fund Management Holdings, LLP (a limited partnership established in Cayman Islands) and SBI & BDJB Management Limited (an exempted company incorporated under the laws of the Cayman Islands) on 22 February 2008 in connection with formation of an investment fund with an aggregate committed fund size of US\$50 million to be contributed by BJBU Development, representing 50% of the committed fund size of US\$100 million;
3. Share transfer agreement entered into between 湖南天通商貿有限公司 (Hunan Tian Tong Trading Co., Ltd) ("**Hunan Tian Tong**"), a limited company incorporated in the PRC, Xiaoxiang Tourism and 張家界市經濟發展投資集團有限公司 (Zhang Jia Jie Tourism Development Investment (Group) Co., Ltd. ("**ZJJ Development**"), a limited company incorporated in the PRC on 11 December 2007 pursuant to which Hunan Tian Tong agreed to transfer and Xiaoxiang Tourism agreed to acquire 9,000,000 ordinary shares or 4.9% equity interests of Zhang Jia Jie Tourism Development Co., Ltd. being held by ZJJ Development by way of judicial sale;
4. Sino-foreign joint venture agreement entered into between 北京中億創一科技發展有限公司 (Beijing Zong Yi Chuang Yi Technological Development Company Limited), a company incorporated with limited liability in the PRC, the Company and BJBU Development on 22 October 2007 in connection with the establishment of Xiaoxiang Tourism, a sino-foreign equity joint venture established with limited liability in the PRC;
5. Share transfer agreement entered into between the Company and 北京北大青鳥安全系統工程有限公司 (Beijing Beida Jade Bird Security System Engineering Technology Company Limited) ("**JB Security**") on 21 May 2007 in connection with the disposal of 44% of the registered capital of Chengjian Donghua and the shareholders' loan advanced by the Company to Chengjian Donghua in the amount of RMB61.6 million to JB Security at an aggregate consideration of RMB697.2 million;
6. Supplemental Letter Agreement entered into between BJBU Development and NCL on 18 May 2007 in relation to certain amendments to the terms of a Global Master Securities Lending Agreement, as supplemented by a Schedule thereto, and a Securities Lending Transaction Confirmation confirming certain terms in the aforementioned Global Master Securities Lending Agreement (collectively "**Securities Lending Agreement**") including, *inter alia*, (i) extension

- of the duration of the transaction under the Securities Lending Agreement to a period of 42 months ending on 18 June 2010; (ii) adjustment to the rate of interest on the collateral to be deposited by NCL with JBU Development (the “**Collateral**”); and (iii) adjustment to the maximum amount of Collateral;
7. International Swaps and Derivatives Association (ISDA) Master Agreement, as supplemented by a Schedule, and Share Options Transaction Confirmation both entered into between BJB Development and NCL on 18 May 2007 in relation to grant of any or all of the 161,944,000 physically settled call option(s), on the basis of one fully paid ordinary share of SMIC per option at an upfront premium in the amount of approximately US\$271,000 and quarterly premium determined with reference to the amount of Collateral at a premium rate of 2.2% per annum. Details of the determination of premiums are disclosed in the Company’s circular dated 11 June 2007;
 8. the supply agreement dated 15 May 2007 between 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) (“**Hebei Fire Alarm**”), a non wholly-owned subsidiary of the Company, and 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) (“**Shanghai Jade Bird Fire**”), a connected person of the Company, pursuant to which Hebei Fire Alarm agreed to supply fire alarm system products to Shanghai Jade Bird Fire at an annual cap in a estimate aggregate amount of approximately RMB6,600,000 for each of the two years ending 31 December 2007 and 2008;
 9. the supply agreement dated 15 May 2007 between 武漢北大青鳥網軟有限公司 (Wuhan Beida Jade Bird Netsoft Company Limited) (“**Wuhan Netsoft**”), a non wholly-owned subsidiary of the Company, and 北京青鳥信息系統有限公司 (Beijing Jade Bird Information System Company Limited) (“**BJ IS**”), pursuant to which Wuhan Netsoft agreed to supply network management products and firewall products to BJ IS at an annual cap in a estimate aggregate amount of approximately RMB2,800,000 for each of the two years ending 31 December 2007 and 2008; and
 10. Securities Lending Agreement entered into between BJB Development and NCL on 15 December 2006 in relation to the lending of any or all of the 323,888,000 fully paid ordinary shares of SMIC by BJB Development to NCL. In consideration for BJB Development providing the securities loan, NCL deposited with BJB Development a collateral in the amount of approximately US\$28,295,000.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents (and English translations thereof, if appropriate) will be available for inspection at Unit 02, 7th Floor, Asia Pacific Centre, 8 Wyndham Street, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the SGM:

- (a) the articles of association of the Company;
- (b) the annual report of the Company for each of the two years ended 31 December 2006;
- (c) the material contracts referred to in the section headed "Material Contracts" in this appendix;
- (d) the circular dated 24 December 2007 in relation to the acquisition of 4.9% equity interests in Zhang Jia Jie Tourism Development Co., Ltd.;
- (e) the circular dated 5 November 2007 in relation to the investment in Xiaoxiang Tourism;
- (f) the circular dated 18 June 2007 in relation to the disposal of Chengjian Donghua;
- (g) the circular dated 11 June 2007 in relation to the grant of share options and amendment to the Securities Lending Agreement;
- (h) the circular dated 24 January 2007 in relation to the lending of 323,888,000 fully paid ordinary shares in SMIC by BJB Development to NCL; and
- (i) this circular.

NOTICE OF SPECIAL GENERAL MEETING



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: 8095)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Special General Meeting**”) of the holders of the shares of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “**Company**”) will be held at Conference Room 310, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing, the PRC on Thursday, 17 April 2008 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following as ordinary resolution:

ORDINARY RESOLUTION

THAT:

- (a) the provision of a US\$ senior secured term loan facility in a maximum amount of US\$18 million to Jinsheng International Group (Hong Kong) Limited (“**Jinsheng HK**”) pursuant to a US\$ senior secured term loan facility agreement entered into between Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited, a wholly-owned subsidiary of the Company, and Jinsheng HK on 28 December 2007 (details of which have been set out in an announcement of the Company dated 17 January 2008 and a circular to the shareholders of the Company dated 29 February 2008) (the “**Assistance**”) be and is hereby approved, ratified and confirmed; and
- (b) the acts of the board of directors of the Company on behalf of the Company for the purpose of or in connection with the implementation and completion of the Assistance and the transactions thereunder be and are hereby approved, ratified and confirmed.

By order of the board of directors
Xu Zhen Dong
Chairman

Hong Kong, 29 February 2008

Place of business in Hong Kong:
Unit 02, 7th Floor
Asia Pacific Centre
8 Wyndham Street
Central
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (A) The register of holders of H shares of the Company (“**H Shares**”) will be closed from Tuesday, 18 March 2008 to Thursday, 17 April 2008 (both days inclusive) during which period no transfer of H shares will be registered. Any holder of the H Shares and whose name appearing in the Company’s register of holders of H Shares with Hong Kong Registrars Limited at the close of business hours on Monday, 17 March 2008 and have completed the registration process, will be entitled to attend the Special General Meeting.

The address of Hong Kong Registrars Limited is as follows:
46th Floor, Hopewell Centre, 183 Queens Road East, Hong Kong (Fax no: 852-2865-0990)

- (B) Holders of promoter shares of the Company (“**Promoter Shares**”) or H Shares who intend to attend the Special General Meeting must complete the reply slips for attending the Special General Meeting and return them to Hong Kong Registrars Limited at the address set out above (for holders of H Shares) or to the place of business of the Company in Beijing (for Promoter Shares) not later than 20 days before the date of the Special General Meeting, i.e. no later than 4:30 p.m. on Friday, 28 March 2008.

The place of business of the Company in Beijing is as follows:
3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC (Fax no: 86-10-6275-8434)

- (C) Each holder of H Shares who has the right to attend and vote at the Special General Meeting is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the Special General Meeting. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- (D) The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.
- (E) To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company’s H Share registrar, Hong Kong Registrars Limited, the address of which is set out in Note (A) above, not less than 24 hours before the time for holding the Special General Meeting or any adjournment thereof in order for such documents to be valid.
- (F) Each holder of Promoter Shares is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on its behalf at the Special General Meeting. Notes (C) to (D) also apply to holders of Promoter Shares, except that the proxy form or other documents of authority must be delivered to the place of business of the Company in Beijing, the address of which is set out in Note (B) above, not less than 24 hours before the time for holding the Special General Meeting or any adjournment thereof in order for such documents to be valid.
- (G) If a proxy attends the Special General Meeting on behalf of a shareholder, he/she should produce his identity card and the instrument signed by the proxy or his legal representative, and specifying the date of its issuance. If a legal person shareholder appoints its corporate representative to attend the Special General Meeting, such representative should produce his/her identity card and the notarised copy of the resolution passed by the board of directors or other authorities or other notarised copy of the licence issued by such legal person shareholder.
- (H) The Special General Meeting is expected to last for half a day. Shareholders attending the Special General Meeting are responsible for their own transportation and accommodation expenses.