



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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2008**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FIRST QUARTERLY RESULTS (UNAUDITED)

The board of directors (the “Board”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “Company”) announced the unaudited consolidated results of the Company and its subsidiaries (collectively as the “Group”) for the three months ended 31 March 2008 together with the unaudited comparative figures for the corresponding period in 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2008

	<i>Note</i>	2008 RMB'000	2007 RMB'000
TURNOVER	3	25,418	27,007
Cost of sales		(21,758)	(25,203)
Gross profit		3,660	1,804
Other income	4	18,863	3,960
Distribution costs		(4,029)	(5,129)
Administrative expenses		(8,709)	(3,546)
Other operating expenses		(1,815)	(901)
PROFIT/(LOSS) FROM OPERATIONS		7,970	(3,812)
Finance costs		(28,664)	(6,389)
Change in fair value of financial assets at fair value through profit and loss		1,100	–
Change in fair value of derivative financial instruments		5,944	–
Share of loss of an associate		–	(322)
Other loss		(489)	–
LOSS BEFORE TAX		(14,139)	(10,523)
Income tax expense	5	–	–
LOSS FOR THE PERIOD		(14,139)	(10,523)
Attributable to:			
Equity holders of the Company		(12,055)	(9,571)
Minority interests		(2,084)	(952)
		(14,139)	(10,523)
LOSS PER SHARE			
– basic	6	(1.0) cent	(0.8) cent

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2008

Attributable to equity holders of the Company

	Share capital	Capital reserve	Reserve funds	Foreign currency translation reserve	Investment revaluation reserve	Retained profits	Proposed final dividend	Total	Minority interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2007	118,480	377,720	53,787	(23,616)	53,288	168,934	-	748,593	4,279	752,872
Changes in fair value of available-for-sale financial assets	-	-	-	-	26,550	-	-	26,550	-	26,550
Translation differences	-	-	-	(4,761)	-	-	-	(4,761)	-	(4,761)
Net income/(expense) recognised directly in equity	-	-	-	(4,761)	26,550	-	-	21,789	-	21,789
Loss for the period	-	-	-	-	-	(9,571)	-	(9,571)	(952)	(10,523)
Total recognised income and expense for the period	-	-	-	(4,761)	26,550	(9,571)	-	12,218	(952)	11,266
Capital contribution from minority shareholders	-	489	-	-	-	-	-	489	1,761	2,250
Transfer to/(from) reserve funds	-	-	(893)	-	-	197	-	(696)	696	-
At 31 March 2007	118,480	378,209	52,894	(28,377)	79,838	159,560	-	760,604	5,784	766,388
At 1 January 2008	118,480	378,209	77,974	(44,167)	4,728	403,545	23,696	962,465	58,126	1,020,591
Changes in fair value of available-for-sale financial assets	-	-	-	-	(105,045)	-	-	(105,045)	(5,523)	(110,568)
Translation differences	-	-	-	(6,989)	-	-	-	(6,989)	-	(6,989)
Net expense recognised directly in equity	-	-	-	(6,989)	(105,045)	-	-	(112,034)	(5,523)	(117,557)
Loss for the period	-	-	-	-	-	(12,055)	-	(12,055)	(2,084)	(14,139)
Total recognised expense for the period	-	-	-	(6,989)	(105,045)	(12,055)	-	(124,089)	(7,607)	(131,696)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	884	884
Other gain	-	-	-	-	-	-	-	-	489	489
At 31 March 2008	118,480	378,209	77,974	(51,156)	(100,317)	391,490	23,696	838,376	51,892	890,628

Note:

1. Principal Activities

The Group was 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 was also engaged in the sale of computer products (“Computer”) and the development of travel and leisure business.

2. Basis of Presentation

2.1 Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current period, the Group has adopted all the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2008. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current periods and prior periods.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2.2 Basis of preparation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and the applicable disclosure required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance. These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments and derivatives which are carried at their fair values. These consolidated financial statements are presented in Renminbi (“RMB”), which is the Company’s functional and presentation currency.

The accounting policies adopted in preparing these first quarterly consolidated financial statements are consistent with those used in the Company’s annual audited consolidated financial statements for the year ended 31 December 2007.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group’s share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement as an allocation of profit or loss for the period between minority and shareholders of the Company. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of the Group until the minority's share of losses previously absorbed by the Group has been recovered.

3. Turnover

The Group's turnover represents the net invoiced value of goods sold to customers after allowances for returns and trade discounts.

	2008 <i>RMB'000</i>	2007 <i>RMB'000</i> <i>(restated)</i>
Sale of embedded systems and related products	10,516	7,509
Sale of Computer	14,851	19,498
Rendering of travel and leisure services	51	–
	25,418	27,007

4. Other income

	2008 <i>RMB'000</i>	2007 <i>RMB'000</i>
Bank interest income	5,908	1,619
Interest income from loan receivable	10,696	–
Net foreign exchange gain	–	296
Others	2,259	2,045
	18,863	3,960

5. Income tax expense

	2008 <i>RMB'000</i>	2007 <i>RMB'000</i>
Current tax – Mainland China	–	–
	–	–

No provision for Hong Kong Profits Tax has been made for the period ended 31 March 2008 and 2007 as the Group did not generate any assessable profits arising in Hong Kong during the periods. Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the country in which the Group operates, based on existing legislation, interpretations, and practices in respect thereof.

The Company is registered in the Beijing New Technology Enterprise Development Zone and has been certified by the relevant People's Republic of China ("PRC") authorities as a high technology enterprise. Pursuant to the Income Tax Law in the PRC, the Company is subject to enterprise income tax at a rate of 15%. In accordance with an approval document issued by the relevant tax bureau, the Company has been granted income tax exemption for the three years ended 31 December 2002 and 50% reduction in enterprise income tax for the three years ended 31 December 2005. No provision for enterprise income tax was made for the period ended 31 March 2008 and 2007 as the Company incurred tax loss for that periods.

The subsidiaries of the Group established in the PRC are generally subject to income tax on their taxable income at a combined national and local tax rate of 33%. Certain subsidiaries enjoy tax preferential rights and subject to a tax rate of 15% during the period.

The new PRC enterprise income tax law passed by the Tenth National People's Congress on 16 March 2007 introduces various changes which include the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%. The new tax law has been effective from 1 January 2008. The impact of the new tax law on the Group's consolidated financial statements is not material.

At 31 March 2008, there was no significant unrecognised deferred tax liability (2007: RMB Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, as the directors do not have intention to remit such earnings to the Company in the foreseeable future.

6. Loss per share

The calculation of loss per share attributable to equity holders of the Company is based on loss for the period attributable to equity holders of the Company of approximately RMB12,055,000 (2007: approximately RMB9,571,000) and the weighted average number of 1,184,800,000 ordinary shares (2007: 1,184,800,000 ordinary shares) in issue during the period.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2008 (2007: RMB Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overall

Turnover for the three months ended 31 March 2008 ("1Q08") decreased slightly by 5.9% to RMB25,418,000. Computer remained the major product of the Group but its sales decreased by 23.8% in 1Q08 due to tighten control over credit policy having considered its comparatively thin margin. On the other hand, the Group continued its credit sales policy over embedded system products especially wireless fire alarm products. Sales of embedded systems and related products boost up by 40.0% in 1Q08. Gross profit margin increased from 6.7% to 14.4% mainly because of the increase in contribution by comparatively high-margin embedded systems in the product mix. The Group recorded a loss for the period of RMB14,139,000, representing an increase of 34.4% as compared with the three months ended 31 March 2007 ("1Q07"). This was mainly because of drastic increase in foreign exchange loss as a result of deflation in US\$ and HK\$ over RMB at around 3.9% and 3.7% in 1Q08 respectively and the pre-operating costs incurred by Hengyang Nanyue Xiaoxiang Tourism Development Ltd. ("Xiaoxiang Tourism"), a new subsidiary of the Company since October 2007.

On 28 December 2007, Jinsheng International Group (Hong Kong) Limited ("Jingsheng HK") and Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited ("BJBU Development"), a wholly owned subsidiary of the Company, entered into a US\$ senior secured term loan facility agreement pursuant to which BJBU Development agreed to lend a maximum amount of US\$18 million to Jingsheng HK for a period of four months ended at 30 April 2008 at an interest rate of 30% per annum. The facility is secured by a first fixed charge over thirty six ordinary shares of Jingsheng HK in issue. An amount of US\$17.82 million, being the maximum facility amount net of a front-end fee of US\$180,000 was advanced to Jingsheng HK on 31 December 2007. Jinsheng HK had repaid the loan in full subsequent to the end of 1Q08.

Available-for-sale financial assets – Semiconductor Manufacturing International Corporation (“SMIC”)

According to the announcement of SMIC dated 29 April 2008, overall revenue of SMIC decreased to US\$362.4 million in 1Q08, representing 6.7% decrease from 1Q07 as a result of lower DRAM shipment quantity. SMIC made gross loss of approximately US\$32.6 million in 1Q08 while it made gross profit of US\$36.9 million in 1Q07. Gross loss margin was 9.0% in 1Q08 as compared with gross profit margin 9.5% in 1Q07 which was primarily due to losses from commodity DRAM business including a US\$44.5 million additional loss provision taken against DRAM inventories. SMIC recorded a net loss of US\$119.1 million for 1Q08 while it made net profit of US\$8.8 million in 1Q07.

During 1Q08, SMIC reached an agreement with its customers to exit the commodity DRAM business. Revenue from DRAM business fell from 34.7% of total revenue in 1Q07 to 12.1% in 1Q08. At the same time, SMIC increased logic shipments including the 90-nm logic shipments. Contribution from overall logic revenue rose up to 78.4% in 1Q08.

Revenue from the PRC increased by 22.6% since the fourth quarter of 2007. 15 new PRC customers were recruited. Sales in North America grew by 10.0% in 1Q08 as compared with 1Q07. It represented 53.6% of total revenue in 1Q08.

Available-for-sale financial assets – Zhang Jia Jie Tourism Development Ltd. (“ZJJ Tourism”)

According to the announcement of ZJJ Tourism dated 25 April 2008, ZJJ Tourism recorded a turnover of RMB9,607,000, representing a decrease of 49.8% over 1Q07. Net loss for 1Q08 was RMB11,644,000 representing an increase of 38.3% as compared with 1Q07. Performance of ZJJ Tourism was adversely affected by reduction of turnover from 湖南廣之旅 (Hunan-Guangdong route) and 湘西之旅 (Xiangxi route) and the bad weather as a result of PRC snowstorm in 1Q08.

HUMAN RESOURCES

The Group employed around 580 staff as at 31 March 2008. Over 51% of them possess bachelor degree or above and 1 of them is doctorate. Research and development staff were around 120 during the period. The Group offered competitive remuneration package to its staff including medical insurance and travel insurance. The Group strictly follows the requirements both in Hong Kong and the PRC regarding provident fund. Employer contributions to provident fund were made timely.

OUTLOOK

The Group has initiated several investment projects during the year ended 31 December 2007 and 1Q08 including the formation of Xiaoxiang Tourism and Apollo Universal Fire Detection Products Ltd. as well as investment in ZJJ Tourism and 四川久遠智能監控有限責任公司 (Si Chuan Jiu Yuan Intelligent Surveillance Co., Ltd.). The cooperation with SBI Holdings Inc. in formation of PRC investment fund will be another important development of the Group upon approval by shareholders in June 2008. The Group will closely monitor the development and performance of these projects in coming year. The Group will continue with the current corporate direction but will be much cautious in expanding market share of embedded system business as well as selecting investment proposals giving the volatile market condition in 1Q08.

DIRECTORS, SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2008, the interests (including interests in shares and short positions) of the directors, supervisors and chief executive in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which will be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or will be required to be notified to the Company pursuant to Rules 5.46 of the GEM Listing Rules relating to securities transactions by directors, were as follows:

Long positions in ordinary shares of the Company:

		<i>Note</i>	Number of shares held, capacity and nature of beneficiary interest of a trust	Approximate percentage of the Company's total issued domestic share capital	Approximate percentage of the Company's total issued share capital
Name of director					
1.	Mr. Xu Zhen Dong	(a)	205,414,000	29.34%	17.34%
2.	Mr. Xu Zhi Xiang	(a)	205,414,000	29.34%	17.34%
3.	Mr. Zhang Wan Zhong	(a)	205,414,000	29.34%	17.34%
4.	Mr. Liu Yong Jin	(a)	205,414,000	29.34%	17.34%
Name of supervisor					
1.	Mr. Zhang Yong Li	(a)	205,414,000	29.34%	17.34%
2.	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 ("Heng Huat Trust"). By a declaration of 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 北京北大青鳥軟件系統有限公司 (Beijing Beida Jade Bird Software System Co. Ltd.), 北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited), 北京北大宇環微電子系統有限公司 (Beijing Beida Yu Huan Microelectronics System Engineering Co. Ltd.) and 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) 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 of the Company 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 out of 100 shares in the issued share capital of Heng Huat.

Save as disclosed above, none of the directors, supervisors and chief executive had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the employee share option scheme below, at no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director and supervisor or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors and supervisors to acquire such rights in any other body corporate. As at 31 March 2008, none of the directors or the supervisors had any rights to acquire H shares ("H Shares") in the Company.

EMPLOYEE SHARE OPTION SCHEME

The Company conditionally approved a share option scheme on 5 July 2000, pursuant to which the Board may, at its discretion, grant share option to any full-time employees of the Group to subscribe for shares in the Company, subject to a maximum of 30% of the Company's shares in issue at the date of grant. However, employees who are PRC nationals shall not be entitled to exercise the option until the current restrictions on PRC nationals from subscribing for or dealing in H shares imposed by the relevant PRC law and regulations have been abolished or removed. No options have been granted by the Company to any employees of the Group since the date of establishment of the share option scheme.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2008, the following interests and short positions of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Note	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of the Company's domestic issued share capital	Approximate percentage of the Company's total number of issued H Shares	Approximate percentage of the Company's issued share capital
1. Peking University	(a)	Through a controlled corporation	310,000,000	44.28%	Not applicable	26.16%
2. Beijing Beida Yu Huan Microelectronics System Engineering Co. Ltd. (formerly known as Beijing Beida Yu Huan Microelectronics System Engineering Company)	(a)	Directly beneficially owned	85,000,000	12.14%	Not applicable	7.17%
3. Beijing Beida Jade Bird Software System Co. Ltd. (formerly known as Beijing Beida Jade Bird Software System Company)	(b)	Directly beneficially owned and through a controlled corporation	225,000,000	32.14%	Not applicable	18.99%

Name	Note	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of the Company's domestic issued share capital	Approximate percentage of the Company's total number of issued H Shares	Approximate percentage of the Company's issued share capital
4. Beijing Beida Jade Bird Limited	(a)	Directly beneficially owned	115,000,000	16.43%	Not applicable	9.71%
5. Heng Huat Investments Limited	(c)	Through a controlled corporation	205,414,000	29.34%	Not applicable	17.34%
6. Dynamic Win Assets Limited	(c)	Directly beneficially owned	205,414,000	29.34%	Not applicable	17.34%
7. Mongolia Energy Corporation Limited	(d)	Through a controlled corporation	84,586,000	12.08%	Not applicable	7.14%
8. New View Venture Limited	(d)	Directly beneficially owned	84,586,000	12.08%	Not applicable	7.14%
9. Asian Technology Investment Company Limited		Directly beneficially owned	50,000,000	7.14%	Not applicable	4.22%
10. Tai Fook Securities Company Limited	(e)	Directly beneficially owned	80,800,000	Not applicable	16.67%	6.82%
11. Tai Fook Finance Company Limited	(e)	Through a controlled corporation	80,800,000	Not applicable	16.67%	6.82%
12. Tai Fook (BVI) Limited	(e)	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 shares (representing approximately 7.17% of the Company's total issued share capital) held by 北京北大宇環微電子系統有限公司 (Beijing Beida Yu Huan Microelectronics System Engineering Co. Ltd.) ("Yu Huan"), which is beneficially owned by Peking University;
 - (ii) 110,000,000 shares (representing approximately 9.28% of the Company's total issued share capital) held by 北京北大青鳥軟件系統有限公司 (Beijing Beida Jade Bird Software System Co. Ltd.) ("JB Software"), which is beneficially owned by Peking University; and
 - (iii) 115,000,000 shares (representing approximately 9.71% of the Company's total issued share capital) held by 北京北大青鳥有限責任公司 (Beijing Beida Jade Bird Limited) ("Beida Jade Bird"), which is beneficially owned by Peking University.
- (b) The interest of JB Software comprise 110,000,000 shares held by JB Software itself and 115,000,000 shares held by Beida Jade Bird, which is beneficially held by JB Software.
- (c) The shares of the Company are held by Dynamic Win, which is wholly-owned by Heng Huat.
- (d) The shares of the Company are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
- (e) 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 section “Directors’, Supervisors and Chief executive’s interests and short positions in shares and underlying shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

COMPETING INTERESTS

None of the directors, supervisors, the management shareholders of the Company and 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.

AUDIT COMMITTEE

The Company established its audit committee (the “Audit Committee”) with terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee include review and supervision of the financial reporting process and internal control and corporate governance issues of the Company and make relevant recommendations to the Board.

The Audit Committee comprises three members, namely, Prof. Nan Xiang Hao, Prof. Chin Man Chung, Ambrose and Mr. Cai Chuan Bing. All of them are independent non-executive directors. Prof. Nan Xiang Hao is the chairman of the Audit Committee. The Audit Committee had held a meeting and reviewed the Group’s first quarterly results report for the three months ended 31 March 2008.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules during 1Q08.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S H SHARES

For the three months ended 31 March 2008, the Company did not purchase, sell or redeem any of the Company’s H Shares.

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

Beijing, the PRC, 15 May 2008

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 and Mr. Hao Yi Long are non-executive directors and Professor Nan Xiang Hao, Professor Chin Man Chung, Ambrose and Mr. Cai Chuan Bing are independent non-executive directors.

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