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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: 08095)

**MAJOR TRANSACTION
IN RELATION TO FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE AFTER COMPLETION

Reference is made to the announcement of the Company dated 15 May 2020 in relation to the SP Agreement entered into by the Purchaser as purchaser, the Company as vendor and the Target.

The Board wishes to supplement that, after Completion, Songya Lake Construction will cease to be an affiliated company of the Company, and the continuing provision of the Guarantee by the Company to Songya Lake Construction pursuant to the Guarantee Agreement after Completion will constitute provision of financial assistance by the Company to an Independent Third Party under Chapter 19 of the GEM Listing Rules.

IMPLICATIONS UNDER THE GEM LISTING RULES

As more than one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Financial Assistance is more than 25% but less than 100%, the Financial Assistance constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification, announcement and the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

SGM

The SGM will be convened on Tuesday, 21 July 2020 for the purposes of, among other matters, considering and, if thought fit, approving (i) the SP Agreement and the transactions contemplated thereunder; and (ii) the Financial Assistance. A circular containing, among other things, (i) details of the SP Agreement and the transactions contemplated thereunder and the Financial Assistance; (ii) other information as required to be disclosed under the GEM Listing Rules; and (iii) notice to convene the SGM, will be despatched to the Shareholders on or before 30 June 2020.

PROVISION OF FINANCIAL ASSISTANCE AFTER COMPLETION

Reference is made to the announcement (“**Announcement**”) of the Company dated 15 May 2020 in relation to the SP Agreement entered into by the Purchaser as purchaser, the Company as vendor and the Target. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Announcement.

The Board wishes to supplement that, after completion of the sale and purchase of the Sale Interest (“**Completion**”), Songya Lake Construction will cease to be an affiliated company of the Company, and the continuing provision of the Guarantee by the Company to Songya Lake Construction pursuant to the Guarantee Agreement after Completion (“**Financial Assistance**”) will constitute provision of financial assistance by the Company to an Independent Third Party under Chapter 19 of the GEM Listing Rules. Set out below are the details of the Financial Assistance:

Date of Guarantee Agreement:

31 January 2013

Parties to the Guarantee Agreement:

- (1) Lenders:
- (i) China Development Bank Co. Ltd., a company established in the PRC with limited liability and a state-owned licensed bank in the PRC which together with its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are Independent Third Parties; and
 - (ii) Bank of Beijing Co. Ltd., a company established in the PRC with limited liability and a licensed bank in the PRC which together with its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are Independent Third Parties;

- (2) Security agent: China Development Bank Co. Ltd.; and
- (3) Guarantor: the Company

Scope and amount of the Guarantee:

The amount of the Guarantee provided by the Company is RMB200 million in respect of the principal amount and the related interest, default interest, compound interest, compensation, default fine, compensation for damages and expenses incurred in enforcing the claims.

Where Songya Lake Construction fails to repay any amounts due under the Facility in accordance with the terms of the Facility Agreement covered under the Guarantee, the security agent, China Development Bank Co. Ltd., with the authorization of the Banks, shall have the right to demand the Company to assume liability under the Guarantee in respect of such amounts. In such event, the Company shall perform its obligations under the Guarantee within 15 days after receipt of the written demand.

Duration of the Guarantee:

The obligations of the Company under the Guarantee will expire on the date which is two years (i.e. March 2025) after the relevant liability under the Facility Agreement has been performed (i.e. March 2023).

Guarantee Fee:

Pursuant to the SP Agreement, the continuing provision of the Guarantee by the Company after the Equity Transfer Date shall be subject to the Guarantee Fee (which, exclusive of any damages payable in respect of it, is capped at RMB47,500,000 (equivalent to approximately HK\$51,879,500)) calculated by multiplying the remaining amount of the Guarantee obligations under the Guarantee Agreement by an annual rate of 5% (based on the actual number of days for the period from the Equity Transfer Date to the date of release of the Guarantee Agreement). It was determined after arm's length negotiations between the Company and the Purchaser with reference to the prevailing market rate of guarantee fee.

Taking into account that if the Guarantee Agreement is not earlier terminated, the obligations of the Company under the Guarantee Agreement will expire on the date which is two years (i.e. March 2025) after the relevant liability under the Facility Agreement has been performed (i.e. March 2023), the cap of the Guarantee Fee of RMB47.5 million is determined by reference to the principal amount of RMB200,000,000 at an annual rate of 5% until the expiry of the Guarantee Agreement (i.e. about 4.75 years).

If the Purchaser fails to complete the release of the Guarantee Agreement within the specified period, it shall pay damages for each overdue day for its breach at the rate of 0.0005% of the sum of the amount of the Guarantee provided by the Company. Such damages shall be paid in addition to the Guarantee Fee.

REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE

Taking into account that the Company will cease to have any equity interest in the Target after Completion and the Guarantee Agreement was entered into by the Company in view of its interest in Sonya Lake Construction, the Company considers that the release of the Guarantee Agreement is a critical term of the Transaction. Therefore, it is agreed by the parties to the SP Agreement that the release of the Guarantee Agreement shall be arranged by the Purchaser within 12 months from the Equity Transfer Date through negotiation with the Banks, provided that the Guarantee Fee shall be paid to the Company in accordance with the SP Agreement. The Company agrees the release of the Guarantee Agreement to take place after Completion (instead of on or before Completion) as taking into account that it will take some time to liaise with the Banks for the release of the Guarantee Agreement and the Banks will only be willing to start to liaise with the Purchaser after Completion.

The Company understands that after Completion, the Purchaser will liaise with the Banks for release of the Guarantee Agreement by replacing guarantees to be given by the Purchaser (and/or its ultimate shareholders and/or other parties if required by the Banks) in favour of the Banks (“**Purchaser Guarantees**”). The Company believes that taking into account of the financial position of the Purchaser provided to the Company and the reputation of the ultimate shareholders of the Purchaser who have extensive experience in the capital market industry, barring unforeseen circumstances, the Banks will agree to the proposed replacement of the Guarantee Agreement by the Purchaser Guarantees. The Company therefore believes that the Guarantee Agreement could be released within 12 months from the Equity Transfer Date.

In order to ensure the Guarantee Agreement will be released within 12 months from the Equity Transfer Date, as mentioned in the paragraph headed “Other undertakings by the Purchaser and the Target” in the Announcement, it is agreed by the parties to the SP Agreement that (i) the Purchaser shall pledge the Sale Interest in favour of the Company on the Equity Transfer Date and such pledge shall be discharged after the Guarantee Agreement is released; and (ii) the Target shall pledge all shares in Songya Lake Construction held by it in favour of the Company on the Equity Transfer Date and execute the relevant guarantee and counter-guarantee agreements. With such two pledges being executed in favour of the Company, the Company shall be regarded as having “interest” in the Target and 46.6% equity interest in Songya Lake Construction. As one of the Conditions Precedent, the Purchaser and the Target shall enter into a guarantee and counter-guarantee agreement in favour of the Company pursuant to which (1) the Target shall provide irrevocable and joint guarantee for the release of the Guarantee Agreement to be arranged by the Purchaser within 12 months from the Equity Transfer Date through negotiation with the Banks; and (2) the Purchaser shall indemnify the Company against any amount to be paid by the Company under the Guarantee Agreement, including any principal, interest, default interest, compound interest,

compensation, default fine, compensation for damages and expenses incurred in enforcing the claims and other fees payable by the Company. The Company considers that the above pledges and guarantee and counter-guarantee to be provided by the Target and the Purchaser can protect the Group's interest after Completion, before the Guarantee Agreement is released, in particular, the value of 46.6% equity interest in Sonya Lake Construction as at 24 April 2020 of approximately RMB239.9 million being higher than the principal amount of the Facility of RMB200,000,000 being guaranteed by the Company under the Guarantee Agreement.

However, if the Purchaser fails to complete the release of the Guarantee Agreement within 12 months from the Equity Transfer Date, in particular, if the Banks refuse to release the Guarantee Agreement and there is no alternative arrangement for the release of the Guarantee Agreement, it is provided in the SP Agreement that under such circumstances, the Company has the right to unilaterally terminate the SP Agreement. The Company will take into account then prevailing conditions and may exercise such right to terminate the SP Agreement. The Company may not exercise such right to terminate the SP Agreement to get back the Sale Interest if it is not considered in the interests of the Company and its shareholders as a whole to do so (for example, if the then market value of the Sale Interest is much lower than the current consideration for the Sale Interest under the SP Agreement). If the Company elects to exercise such right to terminate the SP Agreement, the Company will comply with the then applicable requirements under the GEM Listing Rules. With such right of termination, the Company will be able to get back the Sale Interest to protect its interest, notwithstanding that there is uncertainty about the release of the Guarantee Agreement after Completion (i.e. the Company has to continue to provide the Guarantee till March 2025).

The continuing provision of the Guarantee by the Company after the Equity Transfer Date will be subject to the Guarantee Fee, which will be income of the Group.

The Company notes that after Completion and until the release of the Guarantee Agreement, the continuing provision of the Guarantee to Songya Lake Construction will constitute provision of guarantee to an Independent Third Party, given that Songya Lake Construction will cease to be an affiliated company of the Company upon Completion and constitute provision of financial assistance by the Company under Chapter 19 of the GEM Listing Rules. This is different from the time the Company entered into the Guarantee Agreement when Songya Lake Construction was an affiliated company of the Company. Taking into account of (i) the benefits of the Transaction mentioned in the Announcement; (ii) that the Company may not be able to proceed with the Transaction if the Company insists release of the Guarantee Agreement upon Completion given that the Banks will only be willing to start to liaise with the Purchaser after Completion; (iii) that the Company will after Completion receive the Guarantee Fee, which was determined after arm's length negotiations between the Company and the Purchaser with reference to the prevailing market rate of guarantee fee, for the provision of the Guarantee after Completion; and (iv) that prior to Completion, the Purchaser and the Target shall enter into a guarantee and counter-guarantee agreement in favour of the Company pursuant to which (a) the Target shall provide irrevocable and joint guarantee for the release of the Guarantee Agreement to be arranged by the Purchaser within 12 months from the Equity Transfer Date through negotiation with the Banks; and (b) the Purchaser shall

indemnify the Company against any amount to be paid by the Company under the Guarantee Agreement, including any principal, interest, default interest, compound interest, compensation, default fine, compensation for damages and expenses incurred in enforcing the claims and other fees payable by the Company, having considered by the Company the financial position of the Purchaser provided to the Company and the reputation of the ultimate shareholders of the Purchaser who have extensive experience in the capital market industry, the Company considers that the Financial Assistance is in the interests of the Company and the Shareholders as a whole.

The Company has complied with all the applicable requirements under the then prevailing GEM Listing Rules when it entered into the Guarantee Agreement. Nevertheless, as the continuing provision of the Guarantee to Songya Lake Construction after Completion will constitute provision of guarantee to an Independent Third Party, accordingly provision of financial assistance by the Company under Chapter 19 of the GEM Listing Rules, the Company will seek from the Shareholders the approval of the Financial Assistance. Shareholders may vote against the resolution to be proposed at the SGM in relation to the Financial Assistance if they do not agree with the continuing provision of the Guarantee by the Company to Songya Lake Construction (which will then be an Independent Third Party, instead of an affiliated company of the Company) after Completion; and in such case, the Transaction will not proceed as the approval for the SP Agreement and the transactions contemplated thereunder will be conditional upon the Financial Assistance being approved by the Shareholders at the SGM. If the Financial Assistance and the SP Agreement and the transactions contemplated thereunder are not approved by the Shareholders at the SGM, the Company is obliged to continue to provide the Guarantee in accordance with the Guarantee Agreement to Songya Lake Construction as an affiliated company of the Company.

In view of the above, the Company considers that the arrangement regarding the Guarantee Agreement provided under the SP Agreement and the Financial Assistance is fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

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SGM

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On Behalf of the Board
Beijing Beida Jade Bird Universal Sci-Tech Company Limited
Ni Jinlei
Chairman

Beijing, the PRC
26 June 2020

As at the date of this announcement, Mr. Ni Jinlei, Mr. Zhang Wanzhong and Ms. Zheng Zhong are executive Directors, Ms. Xue Li, Mr. Xiang Lei and Mr. Ip Wing Wai are non-executive Directors and Mr. Tang Xuan, Mr. Li Juncai, Mr. Li Chonghua and Mr. Shen Wei are independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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