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



北京北大青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)**

**DISCLOSEABLE TRANSACTION  
RELATING TO  
PROVISION OF FINANCIAL ASSISTANCE TO  
BEST CHANCE HOLDINGS LIMITED**

The Board announced that on 29 May 2008, Best Chance and BJBU Development, a wholly owned subsidiary of the Company, entered into the Agreements pursuant to which BJBU Development agreed to make available the Facility in a maximum aggregate amount of HK\$111.4 million (equivalent to approximately RMB99.2 million) to Best Chance for a period of six months at an interest rate of 48% per annum. The Facility is secured by the Share Charge.

As the size test ratios exceed 5% but are below 25%, the Loan constitutes a discloseable transaction of the Company pursuant to Rule 19.07 of the GEM Listing Rules. The Loan is subject to the disclosure requirements pursuant to Rule 19.34 and Rule 19.38 of the GEM Listing Rules.

**INTRODUCTION**

The Board announced that on 29 May 2008, Best Chance and BJBU Development, a wholly owned subsidiary of the Company, entered into the Agreements pursuant to which BJBU Development agreed to make available the Facility in a maximum aggregate amount of HK\$111.4 million (equivalent to approximately RMB99.2 million) to Best Chance for a period of six months at an interest rate of 48% per annum. The Facility is secured by the Share Charge.

## **PRINCIPAL TERMS OF THE AGREEMENTS**

### **Date of the Agreements**

29 May 2008

### **Parties to the Agreements**

Borrower: Best Chance Holdings 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 enquiries, Best Chance and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company. Save for the entering into of the Agreements, Best Chance and the Group have no business relationship prior to date of the announcement.

### **Amount and duration of the Facility**

The maximum aggregate amount of the Facility is HK\$111.4 million (equivalent to approximately RMB99.2 million). The Facility will mature six months from the Drawdown Date. The proceeds shall be used exclusively by Best Chance to discharge the Kingston Indebtedness, pay for the subscription monies payable by Best Chance to China Best for subscription of China Best Shares pursuant to the China Best Right Issue as disclosed in the China Best Announcements and to finance the payment of the fees, costs and expenses incurred or suffered by BJBU Development under or pursuant to the Agreements. Any part of the Facility undrawn shall be cancelled and shall not thereafter be available. Best Chance shall not be entitled to re-borrow any amounts repaid.

### **Back-end-fees**

Best Chance shall pay non-refundable back-end fees in a fixed amount of HK\$6 million (equivalent to approximately RMB5.3 million) to BJBU Development on the earlier of maturity date and the date on which the total outstanding amount of the Facility drawn under the Agreements is repaid.

An amount of HK\$28.4 million (equivalent to approximately RMB25.0 million) was advanced by BJBU Development to Best Chance on 29 May 2008. The remaining maximum amount of HK\$83 million (equivalent to approximately RMB73.9 million) is expected to be advanced on or before 12 June 2008.

The amount of the Facility was determined with reference to the financial position of China Best and the market value of the Charged Shares.

### **Interest on the Facility**

Any part of the Facility drawn by Best Chance is subject to an interest charged at 48% per annum. Interest shall be paid in Hong Kong dollars in arrears by Best Chance to BJBU Development on maturity of the Facility.

## **Security for the Facility**

The Facility is secured by a share charge executed or to be executed by Best Chance by way of a first fixed charge on all its rights, title and interest in and to a maximum number of 3,170,808,000 Charged 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. Of the Charged Shares, 2,113,872,000 shares have been charged to BJBU Development at the time of the advance of the amount of HK\$28.4 million on 29 May 2008. The remaining maximum 1,056,936,000 shares (being the China Best Right Issue shares to be subscribed for by Best Chance which will be financed by part of the Loan) will be charged to BJBU Development upon completion of the China Best Right Issue. According to the information disclosed in the China Best Announcements, the Charged Shares will represent approximately 30.95% to 34.06% of all issued shares of China Best immediately following completion of the China Best Right Issue depending on the number of share options of China Best being exercised. Based on the ex-right closing price of the China Best Shares at 28 May 2008, the Charged Shares will have a value of approximately HK\$415.4 million (equivalent to approximately RMB370.1 million) assuming all Charged Shares were charged and available as at date of this announcement. The Share Charge is conducted according to normal business practice.

After the Loan has become in default, the Company is entitled to realize, dispose of or sell the Charged Shares or any part thereof in any way which the Company may deem appropriate and applies the proceeds therefrom to repay the amount outstanding under the Facility. Any surplus moneys arising from such sale, realisation or disposal of the Charges Shares shall be returned to Best Chance.

## **Prepayment of the Facility**

Best chance may prepay all or part of the Loan prior to the maturity date. In the case of partial prepayment, the amount of prepayment should be not less than HK\$5 million (equivalent to approximately RMB4.5 million).

Best chance shall, on demand of the BJBU Development, prepay the Loan or any part thereof in an amount as may be specified by BJBU Development if there shall have occurred any one or more of the following events:

- (i) any direct or indirect sale, transfer or other disposition of any equity capital of Best Chance or any of its subsidiaries; or
- (ii) any direct or indirect sale, transfer or other disposition of any property, assets or undertaking of Best Chance 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 HK\$5 million (equivalent to approximately RMB4.5 million) (or its foreign currency equivalent); or
- (iii) any public or private issuance and/or placement of any equity capital, bonds, commercial notes or papers (other than notes or papers of indebtedness issued as trade credits in the ordinary and usual course of business of Best Chance or any of its subsidiaries the aggregate amount of which is less than HK\$5 million (equivalent to approximately RMB4.5 million) (or its foreign currency equivalent)), or other equity-linked debt securities by Best Chance or any of its subsidiaries.

## **INFORMATION OF BEST CHANCE AND CHINA BEST**

Best Chance is a company incorporated under the laws of British Virgin Islands with limited liability. It is principally engaged in investment holding and is the registered holder of 2,113,872,000 ordinary shares of HK\$0.05 each or 22.71% in the issued share capital of China Best as at date of this announcement. China Best is a company incorporated in Bermuda with limited liability. Its shares are listed on the Stock Exchange under the stock code 00370.

## **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 sale of computer products and related products.

## **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 the development of travel and leisure business.

## **REASON FOR THE LOAN**

The Loan will be financed by the Group from its internal resources. Immediately before the Loan, the Group has consolidated cash and cash equivalents of approximately RMB698 million. Best Chance was introduced to the Company by a business partner. The Directors consider that the Loan provides an opportunity for the Group to get a high rate of return for its surplus fund. Assuming the Facility is drawn in full and the Loan is repaid upon maturity, the Group expects to receive a maximum interest income of HK\$26.6 million (equivalent to approximately RMB23.7 million). In addition, the Group will receive non-refundable back-end fees in an aggregate amount of HK\$6 million (equivalent to approximately RMB5.3 million). The Directors also consider that the Loan has low risk to the Group since it will be fully secured by the Charged Shares, having an aggregate value of approximately HK\$415.4 million at 28 May 2008, equivalent to a security-to-loan ratio of approximately 3.7 times.

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

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As size test ratios exceed 5% but are below 25%, the Loan constitutes a discloseable transaction of the Company pursuant to Rule 19.07 of the GEM Listing Rules. The Facility is subject to the disclosure requirements pursuant to Rule 19.34 and Rule 19.38 of the GEM Listing Rules.

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

A circular containing, among other things, further details of the Facility will be dispatched to the Shareholders as soon as practicable.

## DEFINITIONS

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

“Agreements”	the two HK\$ senior secured term loan facility agreements in a maximum amount of HK\$83 million and HK\$28.4 million respectively entered into between Best Chance and BJBU Development on 29 May 2008
“Best Chance”	Best Chance Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability
“Board”	the board of Directors
“BJBU Development”	Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited, a limited company incorporated in the Cayman Islands
“Charged Shares”	up to 3,170,808,000 China Best Shares charged/to be charged in favour of BJBU Development, being security for the Facility pursuant to the Share Charge
“China Best”	China Best Group Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange under stock code 00370
“China Best Announcements”	the announcements issued by China Best dated 24 April 2008 and 19 May 2008 regarding the China Best Right Issue
“China Best Right Issue”	the open offer to qualifying shareholders on the basis of one offer share for every two China Best Shares held, details of which are set out in the China Best Announcements and the circular of China Best dated 30 May 2008
“China Best Shares”	the ordinary shares of HK\$0.05 each in the issued share capital of China Best
“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 Best Chance

“Facility”	the HK\$ senior secured term loan facility in a maximum aggregate amount of HK\$111.4 million (equivalent to approximately RMB99.2 million) made available under the Agreements
“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
“Kingston Indebtedness”	the indebtedness due and owing by Best Chance to Kingston Finance Limited, a limited company incorporated under the laws of Hong Kong, pursuant to a loan agreement and memorandum entered into between Best Chance and Kingston Finance Limited on 26 April 2007
“Loan”	the provision of the Facility by BJBU Development to Best Chance pursuant to the Agreements
“PRC”	People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share Charge”	the share charge executed/to be executed by Best China in favour of BJBU Development over the Charged Shares pursuant to the Agreements
“Shareholders”	shareholders of the Company
“%”	per cent

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

$$HK\$1.00 = RMB0.8909$$

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

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

Beijing, the PRC, 4 June 2008

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

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