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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)

**SUPPLEMENTAL AGREEMENT
IN RELATION TO VERY SUBSTANTIAL TRANSACTIONS:
DISPOSAL AND ACQUISITION OF EQUITY INTERESTS IN
JADE BIRD FIRE CO., LTD.**

THE SUPPLEMENTAL AGREEMENT

On 13 May 2024 (after trading hours), the Company and the Purchaser entered into the Supplemental Agreement to amend certain terms of the Share Transfer Agreement. Pursuant to the Supplemental Agreement, the Purchaser shall settle the Outstanding Consideration by way of the transfer of the Target Shares (comprising the First Batch Shares and any Target Shares which may be transferred to the Company for settlement of the Balance Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest) and/or the payment of cash to the Company as set out in this announcement.

GEM LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 19.36 of the GEM Listing Rules, as the arrangement under the Supplemental Agreement constitutes a material change to the terms of the Share Transfer Agreement.

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transfer of the Target Shares from the Purchaser and the Transfer Party to the Company under the Supplemental Agreement are more than 100%, such transfer of the Target Shares to the Company constitutes a very substantial acquisition of the Company under the GEM Listing Rules and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

A special general meeting will be convened and held by the Company for the purpose of considering and, if thought fit, approving the Supplemental Agreement and the transactions contemplated thereunder.

A circular containing, among other things, details of the Supplemental Agreement and the transactions contemplated thereunder required to be disclosed under the GEM Listing Rules will be despatched to the Shareholders on or before 31 July 2024 as more time is required for the Company to prepare the circular.

BACKGROUND

Reference is made to the announcement of the Company dated 21 November 2022 (“**Announcement**”) and the circular of the Company dated 10 March 2023 (“**Circular**”) in relation to the Share Transfer Agreement entered into between the Company and the Purchaser on 21 November 2022. Pursuant to the Share Transfer Agreement, the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares, at the Consideration of RMB1,101,846,000 (equivalent to approximately HK\$1,190,324,000), upon and subject to the terms and conditions of the Share Transfer Agreement. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

Under the Share Transfer Agreement, the Consideration for the Sale Shares payable by the Purchaser is RMB1,101,846,000 (equivalent to approximately HK\$1,190,324,000), which shall be settled in the following manner:

- (a) within 7 working days after the Share Transfer Agreement becoming effective, the Purchaser shall pay to the Company 20% of the Consideration, RMB220,369,200 (equivalent to approximately HK\$238,065,000) (“**First Instalment**”);
- (b) within one month from the Completion Date, the Purchaser shall pay to the Company 30% of the Consideration, RMB330,553,800 (equivalent to approximately HK\$357,097,000);
- (c) within three months from the Completion Date, the Purchaser shall pay to the Company 20% of the Consideration, RMB220,369,200 (equivalent to approximately HK\$238,065,000); and
- (d) within six months from the Completion Date, the Purchaser shall pay to the Company 30% of the Consideration, RMB330,553,800 (equivalent to approximately HK\$357,097,000).

The transfer of the Sale Shares was completed on 5 May 2023. Since the signing of the Share Transfer Agreement, the Purchaser has been actively negotiated with securities firms and other institutions on the pledge financing as well as other financing for settling the balance of the Consideration. However, the Purchaser has not been able to obtain the funding for the balance of the Consideration (other than the First Instalment), in particular, due to the

downward trend of the stock price of the Target Company since the first quarter of 2023 which adversely affected the availability of pledge financing and the then economic conditions which adversely affected the willingness of potential lenders; and accordingly was unable to pay the balance of the Consideration according to the agreed schedule set out in the Share Transfer Agreement. Immediately prior to the signing of the Supplemental Agreement, the Purchaser has only paid to the Company the First Instalment (i.e. RMB220,369,200 (equivalent to approximately HK\$238,065,000) of the Consideration of RMB1,101,846,000 (equivalent to approximately HK\$1,190,324,000)), with the balance of the Consideration of RMB881,476,800 (equivalent to approximately HK\$952,259,000) (“**Outstanding Consideration**”) remaining outstanding; and the outstanding amount due from the Purchaser (including liquidated damages accrued thereon at the daily rate of 0.01%) amounted to approximately RMB905,222,000 (equivalent to approximately HK\$977,911,000).

THE SUPPLEMENTAL AGREEMENT

On 13 May 2024 (after trading hours), the Company, the Purchaser and Mr. Tsang Desheng (“**Transfer Party**”), an Independent Third Party, entered into the supplemental agreement to the Share Transfer Agreement (“**Supplemental Agreement**”) to amend certain terms of the Share Transfer Agreement.

The principal terms of the Supplemental Agreement are set out below:

Number of Sale Shares

Pursuant to the Supplemental Agreement, the Sale Shares shall change from 44,900,000 shares of the Target Company (“**Target Shares**”) (representing approximately 7.96% of the equity interest in the Target Company as at the date of the Share Transfer Agreement) to 58,370,000 Target Shares (representing approximately 7.69% of the equity interest in the Target Company as at the date of the Supplemental Agreement), as a result of the bonus issue of Target Shares undertaken by the Target Company, under which bonus shares of the Target Company attributable to the Sale Shares were allotted and issued to the Purchaser, after Completion. It is also provided in the Supplemental Agreement that the number of the Sale Shares shall be adjusted if there is any change in the total share capital of the Target Company as a result of share bonus, transfer of undistributed profits to share capital, share split or merger, share reduction (collectively, “**Capital Change Events**”) after Completion up to the date of the termination of the Share Transfer Agreement or the Supplemental Agreement (if applicable).

As disclosed in page 7 of the Circular, it is provided in the Share Transfer Agreement that during the period from the date of the Share Transfer Agreement to the Completion Date, if there is any change in the total share capital of the Target Company as a result of the Capital Change Events, the number of the Sale Shares shall be adjusted accordingly, but the Consideration shall not be adjusted. Taking into account that after Completion, the Target Company undertook a bonus issue of shares pursuant to which bonus shares of the Target Company attributable to the Sale Shares were issued and allotted to the Purchaser, the Company and the Purchaser agreed that such bonus shares shall form part of the Sale Shares in line with the terms of the Share Transfer Agreement mentioned above and the number of the Sale Shares has therefore changed accordingly as provided in the Supplemental Agreement.

Payment of Consideration

Pursuant to the Supplemental Agreement, the Company and the Purchaser have conditionally agreed to amend the payment terms of the Consideration so that the Outstanding Consideration shall be settled as follows:

- (i) on or before 30 September 2024 (“**First Batch Payment Date**”), the Purchaser and the Transfer Party shall settle (“**First Settlement**”) part of the Outstanding Consideration in the sum of RMB571,425,000 (equivalent to approximately HK\$617,310,000) (“**First Settlement Consideration**”) by way of transfer to the Company of 38,095,000 Target Shares (“**First Batch Shares**”), as to 32,795,000 Target Shares to be transferred by the Purchaser and 5,300,000 Target Shares to be transferred by the Transfer Party, at the transfer price (“**Transfer Price**”) which shall be the average closing price of the Target Shares for the five trading days immediately before the date of the Supplemental Agreement (i.e. RMB15.00 (equivalent to approximately HK\$16.20)). If during the date of the Supplemental Agreement and the First Batch Payment Date, there is any Capital Change Event, the number of the First Batch Shares required to be transferred to the Company by the Purchaser and the Transfer Party shall adjust accordingly. The Transfer Price shall then be adjusted by reference to the adjusted number of the First Batch Shares and the First Settlement Consideration (i.e. RMB571,425,000 (equivalent to approximately HK\$617,310,000)) in accordance with the following formula:

The adjusted Transfer Price = the First Settlement Consideration (i.e. RMB571,425,000) ÷ the adjusted number of the First Batch Shares

For the avoidance of doubt, if there is any Capital Change Event mentioned above, only the number of the First Batch Shares and the Transfer Price will be adjusted while the amount of the First Settlement Consideration will remain unchanged.

The Company is not required to pay any consideration to the Transfer Party and any debt arising from the transfer of any part of the First Batch Shares from the Transfer Party to the Company shall be settled between the Transfer Party and the Purchaser, and the Transfer Party shall not have any claim against the Company. The First Batch Payment Date is determined taking into account that the Purchaser, as a director of the Target Company, is currently subject to a non-disposal restriction imposed by the Shenzhen Stock Exchange which will expire in August 2024 and it will take time for the Purchaser to apply with the Shenzhen Stock Exchange for the approval of the transfer of the First Batch Shares to the Company; and

- (ii) within one year from the effective date of the Supplemental Agreement (“**Effective Date**”), the Purchaser shall settle the balance consideration (i.e. RMB310,051,800 (equivalent to approximately HK\$334,949,000), being the Outstanding Consideration less the First Settlement Consideration) (“**Balance Consideration**”), together with the related interests, by way of cash and/or Target Shares. If the settlement will be made by way of the transfer of Target Shares, the transfer price of such shares shall be the closing price of the Target Shares on the date of settlement.

If the Purchaser fails to perform the Supplemental Agreement for more than 30 days, the Company shall be entitled to terminate the Supplemental Agreement and require the Purchaser to (a) return to it all the Sale Shares (i.e. 58,370,000 Target Shares), the dividend income attributable to the Sale Shares which were paid by the Target Company in May 2023 and all the bonus shares and dividend income attributable to the Sale Shares from 31 May 2023 to the date on which the Share Transfer Agreement or the Supplemental Agreement is terminated; (b) pay to it the compensation which is equal to 20% of the Consideration (which may be set off against the First Instalment paid by the Purchaser to the Company); and (c) be liable for its default through summary arbitration. If the Company elects to terminate the Share Transfer Agreement, it will be entitled to a compensation which is equal to 20% of the Consideration but will not be entitled to the liquidated damages at the daily rate of 0.01%, as the liquidated damages will accrue up to the date of final payment of the Consideration but there will not be any final payment of the Consideration in case of termination of the Share Transfer Agreement. This is not in line with the disclosure on page 12 of the Circular as there was misunderstanding of the Company on the interpretation of the relevant provisions of the Share Transfer Agreement at the time of the issue of the Circular that the Company would be entitled to a compensation which is equal to 20% of the Consideration in addition to the liquidated damages in case of termination of the Share Transfer Agreement.

Liquidated Damages and Interest

Pursuant to the Supplemental Agreement, (i) the liquidated damages of 0.01% per day on the Outstanding Consideration from the relevant date of default under the Share Transfer Agreement to the Effective Date (“**Accrued Liquidated Damages**”) shall be paid by the Purchaser to the Company on or before the First Batch Payment Date, by way of cash or the Target Shares. If the settlement will be made by way of the transfer of the Target Shares, the transfer price of such shares shall be the closing price of the Target Shares on the date of settlement; and (ii) with effect from the Effective Date, interest (“**Balance Consideration Interest**”) at the rate of 3.6% per annum will be charged on the Balance Consideration (which is the Outstanding Consideration less the First Settlement Consideration) until the date on which the Balance Consideration is fully settled, and shall be settled by way of cash and/or the Target Shares. If the settlement will be made by way of the transfer of the Target Shares, the transfer price of such shares shall be the closing price of the Target Shares on the date of settlement.

For avoidance of doubt, the Purchaser shall settle all or part of the Balance Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by way of cash so that the number of Target Shares to be transferred by the Purchaser and the Transfer Party to the Company shall in any event be not more than such number of Target Shares that will result in the Company holding more than 50% of the issued shares of the Target Company or being required to consolidate the financial results of the Target Company into those of the Company.

Purchaser's undertakings

The Purchaser warrants and undertakes to the Company that (i) as at the date of the Supplemental Agreement, he beneficially owns 131,182,944 Target Shares, of which 38,779,940 Target Shares have been pledged to Independent Third Parties, with the remaining 92,403,004 Target Shares (“**Relevant Shares**”) not being subject to any right of purchase, lien, charge and encumbrance on title (while there is no agreement or arrangement granting or allowing any such right); and (ii) he shall not sell, charge or otherwise deal in any way with the Relevant Shares (together with the Target Shares which may be acquired by the Purchaser via any other means in future) until he has paid the Balance Consideration and the interests and liquidated damages accrued thereon in accordance with the Supplemental Agreement, unless the Relevant Shares (together with the Target Shares which may be acquired by the Purchaser via any other means in future) are sold, charged or dealt with solely for the purpose of paying the Balance Consideration and the interests and liquidated damages accrued thereon. The Purchaser shall pledge 26,100,000 Target Shares (“**Pledged Shares**”), which shall be able to cover the Balance Consideration, the Balance Consideration Interest and the Accrued Liquidated Damages based on the average closing price of the Target Shares for the five trading days immediately before the date of the Supplemental Agreement, i.e. RMB15.00 (equivalent to approximately HK\$16.20) (together with the corresponding asset benefit, undistributed profits, bonus shares etc.) in favour of the Company until the Purchaser has paid the Outstanding Consideration and the interests and liquidated damages accrued thereon in accordance with the Supplemental Agreement; and shall arrange for the registration of the pledge of the Pledged Shares within 15 working days after the Effective Date. In addition, on the date of the Supplemental Agreement, (a) the Purchaser and the Transfer Party shall sign and deliver to the Company the securities non-trading transfer registration form which is required for the transfer of the First Batch Shares to the Company under the First Settlement; and (b) the Purchaser shall sign and deliver to the Company the securities non-trading transfer registration form which is required for the transfer of the 58,370,000 Target Shares to the Company upon termination of the Share Transfer Agreement and/or the Supplemental Agreement (the documents referred to in (a) and (b) are referred to as the “**Security Documents**”). If there is any Capital Change Event taking place after the date of the Supplemental Agreement, the Purchaser and the Transfer Party shall sign and deliver to the Company new Security Documents within three working days after the Capital Change Event. The Securities Documents are the necessary transfer documents required for non-market trading of securities in the PRC, which shall be submitted to China Securities Depository and Clearing Co., Ltd. in order to effect the transfer of the Target Shares in accordance with the Supplemental Agreement.

Condition Precedent

The Supplemental Agreement shall become effective upon the Supplemental Agreement having been approved at a special general meeting of the Company in accordance with the GEM Listing Rules.

If the above approval is not obtained on or before 30 August 2024, the Supplemental Agreement shall automatically terminate forthwith, while the Company and the Purchaser shall still perform their obligations under the Share Transfer Agreement in accordance therewith. Therefore, if the above approval is not granted by the Shareholders, the Company will terminate the Share Transfer Agreement and claim the Purchaser for compensation for his default. If the Company terminates the Share Transfer Agreement, the Company shall require the Purchaser to (a) return to the Company the Sale Shares (i.e. 58,370,000 Target Shares); (b) return to the Company the dividend income in the aggregate amount of RMB33,899,500 (equivalent to approximately HK\$36,622,000) attributable to the Sale Shares paid by the Target Company in May 2023 and April 2024; and (c) pay to the Company compensation in the sum equal to 20% of the Consideration, whereas the Company shall return to the Purchaser such part of the Consideration paid by the Purchaser without interest (i.e. RMB220,369,200 (equivalent to approximately HK\$238,065,000)).

Save as supplemented by the Supplemental Agreement, all other terms and conditions in the Share Transfer Agreement shall remain unchanged and shall continue to have full force and full legal effect. In case of any conflict or inconsistency between the terms of the Share Transfer Agreement and the Supplemental Agreement, the terms of the Supplemental Agreement shall prevail.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC and listed on the Shenzhen Stock Exchange (stock code: 002960). It is principally engaged in the research and development, production and sales of fire safety system products.

As at the date of the Supplemental Agreement, the total number of issued shares of the Target Company is 758,968,225 and the Company holds 175,474,469 of such issued shares, representing approximately 23.12% of the equity interest in the Target Company. The Sale Shares (i.e. 44,900,000 Target Shares) represented approximately 7.96% of the equity interest in the Target Company as at the date of the Share Transfer Agreement, and approximately 5.92% of the equity interest in the Target Company as at the date of the Supplemental Agreement. After Completion, the Target Company undertook a bonus issue of shares, under which bonus shares of the Target Company attributable to the Sale Shares were allotted and issued to the Purchaser, resulting in the Sale Shares amounting to 58,370,000 Target Shares and representing approximately 7.69% of the equity interest in the Target Company as at the date of the Supplemental Agreement. As at the date of the Supplemental Agreement, the Purchaser holds 131,182,944 Target Shares (including the Sale Shares) in aggregate, representing approximately 17.28% of the equity interest in the Target Company.

The audited net profit before taxation and the audited net profit after taxation of the Target Company for the financial year ended 31 December 2022, which were prepared in accordance with the applicable accounting standards in the PRC, were approximately RMB693,130,000 (equivalent to approximately HK\$748,788,000) and approximately RMB599,656,000 (equivalent to approximately HK\$647,808,000) respectively, while the audited net profit before taxation and the audited net profit after taxation of the Target Company for the financial year ended 31 December 2023, which were prepared in accordance with the applicable accounting standards in the PRC, were approximately RMB797,623,000 (equivalent to approximately HK\$861,672,000) and approximately RMB705,822,000 (equivalent to approximately HK\$762,500,000) respectively.

The audited net asset value of the Target Company as at 31 December 2023, which was prepared in accordance with the applicable accounting standards in the PRC, was approximately RMB6,476,309,000 (equivalent to approximately HK\$6,996,357,000).

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Company, through its subsidiaries, is principally engaged in the development of travel and leisure business, sales and production of LED devices, investment holding of diversified portfolios and other businesses including trading of metallic products and wine and other related products.

The Board has taken several factors into account before entering into the Supplemental Agreement, which included: (a) the current net worth of the Purchaser and the channels of financing available to the Purchaser which have been affected by the decrease in the share price of the Target Company since the date of the Share Transfer Agreement due to the continuing downturn in the A-Share market; and (b) the Purchaser's payment of RMB220,369,200 (equivalent to approximately HK\$238,065,000) of the Consideration (i.e. the First Instalment) and the ongoing proactive communications with the Company initiated by the Purchaser, indicating his sincerity and intention to fulfill his obligations under the Share Transfer Agreement and the Supplemental Agreement.

The Directors consider that the entering into of the Supplemental Agreement is a better option for the Company and the Shareholders, compared with the termination of the Share Transfer Agreement for the following reasons:

- (i) if the Company elects to terminate the Share Transfer Agreement, the Company has to return to the Purchaser the 20% of the Consideration it has received (i.e. the First Instalment), while the Purchaser is required to (a) return to the Company the Sale Shares (i.e. 58,370,000 Target Shares); (b) return to the Company the dividend income in the aggregate amount of RMB33,899,500 (equivalent to approximately HK\$36,622,000) attributable to the Sale Shares paid by the Target Company in May 2023 and April 2024; (c) pay to the Company a compensation in the sum equal to 20% of the Consideration. Under this scenario, the Company will only receive a net cash inflow of RMB33,899,500 (equivalent to approximately HK\$36,622,000) and 58,370,000 Target Shares (which will be worth approximately RMB875,550,000 (equivalent to approximately HK\$945,857,000), based on the average closing price of the Target Shares for the five trading days immediately before the date of the Supplemental Agreement, i.e. RMB15.00 (equivalent to approximately HK\$16.20)). In addition, as the Purchaser is a director of the Target Company which is a company listed on the Shenzhen Stock Exchange, he is only allowed to dispose of up to 25% of all the issued shares in the Target Company held by him each year according to applicable PRC rules, and thus, the Purchaser will only be able to return to the Company 32,795,000 Target Shares by 30 September 2024, 24,596,986 Target Shares in January 2025 (the earliest time for him to transfer Target Shares to the Company in 2025) and 978,014 Target Shares in January 2026 (the earliest time for him to transfer Target Shares to the Company in 2026), if the Company elects to terminate the Share Transfer Agreement;

- (ii) if the Company elects to enter into the Supplemental Agreement, not only the Consideration of RMB1,101,846,000 will be fully settled (comprising cash and/or Target Shares), but the Company will also receive (a) the Accrued Liquidated Damages (for illustration purpose only, which will amount to approximately RMB33,353,000 (equivalent to approximately HK\$36,031,000) on the assumption that the Effective Date is 30 August 2024); and (b) the Balance Consideration Interest (for illustration purpose only, which will amount to approximately RMB11,131,000 (equivalent to approximately HK\$12,025,000) on the assumption that the Effective Date is 30 August 2024 and the Balance Consideration is fully settled on 29 August 2025);

For illustration purpose only and solely based on the information available as at the date of this announcement, set out below are the assets which the Company would be able to receive in case of termination of the Share Transfer Agreement and the entering into of the Supplemental Agreement, respectively:

	Termination of the Share Transfer Agreement (RMB)	Entering into of the Supplemental Agreement (assuming settlement of the Outstanding Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by the Target Shares only) (RMB)	Entering into of the Supplemental Agreement (assuming settlement of the Balance Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by cash only) (RMB)
<i>Cash to be received:</i>			
Consideration			
– First Instalment (<i>Note 1</i>)	220,369,000	220,369,000	220,369,000
– Balance Consideration	Not applicable	Not applicable	310,052,000
Less: Consideration to be returned to the Purchaser (<i>Note 2</i>)	(220,369,000)	Not applicable	Not applicable
20% Compensation (<i>Note 2</i>)	220,369,000	Not applicable	Not applicable
Aggregate dividend income attributable to the Sale Shares paid by the Target Company in May 2023 and April 2024	33,900,000	Not applicable	Not applicable
Accrued Liquidated Damages (in cash) (<i>Note 3</i>)	Not applicable	Not applicable	33,353,000
Balance Consideration Interest (in cash) (<i>Note 4</i>)	Not applicable	Not applicable	11,131,000
Total	254,269,000	220,369,000	574,905,000

	Termination of the Share Transfer Agreement (RMB)	Entering into of the Supplemental Agreement (assuming settlement of the Outstanding Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by the Target Shares only) (RMB)	Entering into of the Supplemental Agreement (assuming settlement of the Balance Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by cash only) (RMB)
<i>Target Shares to be received:</i>			
Sale Shares to be returned to the Company (Note 5)	58,370,000	Not applicable	Not applicable
First Settlement (Note 1)	Not applicable	38,095,000	38,095,000
Balance Consideration (Note 6)	Not applicable	20,670,120	Not applicable
Accrued Liquidated Damages (in Target Shares) (Note 7)	Not applicable	2,223,526	Not applicable
Balance Consideration Interest (in Target Shares) (Note 8)	Not applicable	742,086	Not applicable
Total	58,370,000	61,730,732	38,095,000
Monetary value of Target Shares (RMB) (Note 9)	875,550,000	925,961,000 (Note 10)	571,425,000 (Note 11)
Total amount of cash and monetary value of Target Shares	1,129,819,000	1,146,330,000	1,146,330,000

Notes:

1. The Consideration has been settled in cash as to RMB220,369,200 as at the date of the Supplemental Agreement by way of the First Instalment. Pursuant to the Supplemental Agreement, the First Settlement Consideration will be settled by 38,095,000 Target Shares (assuming that there is no Capital Change Events taking place during the date of the Supplemental Agreement and the First Batch Payment Date) while the Balance Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest will be settled by cash and/or the Target Shares.
2. If the Company terminates the Share Transfer Agreement, the Company will be entitled to a compensation in the sum equal to 20% of the Consideration and has to return to the Purchaser 20% of the Consideration paid by the Purchaser to it.
3. For illustration purpose only, the Accrued Liquidated Damages will amount to approximately RMB33,353,000 on the assumption that the Effective Date is 30 August 2024 and based on the following calculation:

$$(RMB330,553,800 \times 0.01\% \times 451 \text{ days}) + (RMB220,369,200 \times 0.01\% \times 390 \text{ days}) + (RMB330,553,800 \times 0.01\% \times 298 \text{ days})$$

4. For illustration purpose only, the Balance Consideration Interest will amount to approximately RMB11,131,000 on the assumption that the Effective Date is 30 August 2024 and the Balance Consideration is fully settled on 29 August 2025 and based on the following calculation:

$$\text{RMB}310,052,000 \times 3.6\% \times 364 \text{ days} \div 365 \text{ days}$$

5. If the Company terminates the Share Transfer Agreement, the Purchaser shall return to the Company the Sale Shares (i.e. 58,370,000 Target Shares, assuming that there is no further adjustment to the number of Sale Shares).
6. After deducting the First Settlement Consideration (i.e. RMB571,425,000), the balance of the Outstanding Consideration (i.e. the Balance Consideration) will amount to approximately RMB310,051,800. If the Purchaser settles such Balance Consideration by transfer of the Target Shares at the Transfer Price of RMB15.00, the Company will receive 20,670,120 Target Shares as determined by the following calculation:

$$(\text{RMB}881,476,800 - \text{RMB}571,425,000) \div \text{RMB}15.00$$

7. For illustration purpose only, the Accrued Liquidated Damages will amount to approximately RMB33,353,000 on the assumption that the Effective Date is 30 August 2024. If the Purchaser settles such Accrued Liquidated Damages by transfer of the Target Shares at the Transfer Price of RMB15.00, the Company will receive 2,223,526 Target Shares as determined by the following calculation:

$$((\text{RMB}330,553,800 \times 0.01\% \times 451 \text{ days}) + (\text{RMB}220,369,200 \times 0.01\% \times 390 \text{ days}) + (\text{RMB}330,553,800 \times 0.01\% \times 298 \text{ days})) \div \text{RMB}15.00$$

8. For illustration purpose only, the Balance Consideration Interest will amount to approximately RMB11,131,000 on the assumption that the Effective Date is 30 August 2024 and the Balance Consideration is fully settled on 29 August 2025. If the Purchaser settles such Balance Consideration Interest by transfer of the Target Shares at the Transfer Price of RMB15.00, the Company will receive 742,086 Target Shares as determined by the following calculation:

$$(\text{RMB}310,052,000 \times 3.6\% \times 364 \text{ days} \div 365 \text{ days}) \div \text{RMB}15.00$$

9. In case of termination of the Share Transfer Agreement, as shown in the table above, the Company will receive 58,370,000 Target Shares; and the monetary value of such Target Shares will amount to approximately RMB875,550,000, if determined with reference to the Transfer Price (i.e. RMB15.00) as determined by the following calculation:

$$58,370,000 \times \text{RMB}15.00$$

10. In case of entering into of the Supplemental Agreement (assuming settlement of the Outstanding Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by the Target Shares only), as shown in the table above, the Company would receive an aggregate of 61,730,732 Target Shares (i.e. being the aggregate sum of 38,095,000, 20,670,120, 2,223,526 and 742,086), and the monetary value of such Target Shares will amount to approximately RMB925,961,000, if determined with reference to the Transfer Price (i.e. RMB15.00) as determined by the following calculation:

$$61,730,732 \times \text{RMB}15.00$$

11. In case of entering into of the Supplement Agreement (assuming settlement of the Balance Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by cash only), as shown in the table above, the Company would receive an aggregate of 38,095,000 Target Shares, and the monetary value of such Target Shares will amount to approximately RMB571,425,000, if determined with reference to the Transfer Price (i.e. RMB15.00) as determined by the following calculation:

$$38,095,000 \times \text{RMB}15.00$$

As illustrated above, the Company would be able to receive assets in higher monetary value if it enters into the Supplemental Agreement, as compared with the case of termination of the Share Transfer Agreement; and

- (iii) before the full settlement of the Outstanding Consideration, the interest of the Company will be safeguarded by the security created on the Pledged Shares by the Purchaser in favour of the Company. If the Purchaser fails to perform the Supplemental Agreement, the Pledged Shares would then be applied for settling the Balance Consideration, the Balance Consideration Interest and the Accrued Liquidated Damages. The delivery of the Securities Documents by the Purchaser to the Company upon the signing of the Supplemental Agreement would also facilitate the smooth transfer of the First Batch Shares to the Company on the First Batch Payment Date.

As disclosed above, on the basis that the Supplemental Agreement having become effective and if (i) the Purchaser elects to settle the Outstanding Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by the Target Shares only, the Company has received part of the Consideration of RMB220,369,000 (equivalent to approximately HK\$238,065,000) in cash and accordingly net proceeds from the Disposal of approximately RMB196,614,000 (equivalent to approximately HK\$212,402,000); or (ii) the Purchaser elects to settle the Balance Consideration, the Accrued Liquidated Damages and the Balance Consideration Interest by cash only, the Company will receive part of the Consideration of approximately RMB574,905,000 (equivalent to approximately HK\$621,070,000) in cash and accordingly net proceeds from the Disposal of approximately RMB551,150,000 (equivalent to approximately HK\$595,407,000). It is currently proposed that the net proceeds from the Disposal would be used as to (i) 45% for future potential mergers and acquisitions and the development of the investment holding business of the Group; (ii) 46% for repayment of the bank and other borrowings of the Group; and (iii) 9% as general working capital of the Group and will not be used for payment of the income tax of the Company as disclosed in the Announcement and the Circular, as the income tax of the Company for the year ended 31 December 2023 was not increased as a result of the utilisation of available tax losses of the Company. As at the date of this announcement, none of the net proceeds from the Disposal has been utilised.

Having considered the benefits of the Disposal as disclosed in the Announcement and the Circular and the factors above, the Directors are of the view that the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 19.36 of the GEM Listing Rules, as the arrangement under the Supplemental Agreement constitutes a material change to the terms of the Share Transfer Agreement.

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transfer of the Target Shares from the Purchaser and the Transfer Party to the Company under the Supplemental Agreement are more than 100%, such transfer of the Target Shares to the Company constitutes a very substantial acquisition of the Company under the GEM Listing Rules and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

A special general meeting will be convened and held by the Company for the purpose of considering and, if thought fit, approving the Supplemental Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, none of the Shareholders have a material interest in the Supplemental Agreement and the transactions contemplated thereunder and thus no Shareholder is required to abstain from voting for the resolution to approve the Supplemental Agreement and the transactions contemplated thereunder at the special general meeting of the Company.

A circular containing, among other things, details of the Supplemental Agreement and the transactions contemplated thereunder required to be disclosed under the GEM Listing Rules will be despatched to the Shareholders on or before 31 July 2024 as more time is required for the Company to prepare the circular.

For the purpose of illustration only, the amounts denominated in RMB in this announcement have been translated into HK\$ using the exchange rate of RMB1: HK\$1.0803. Such translation should not be construed as a representation that the amounts quoted in this announcement could have been or could be or will be converted at the stated rate or at any other rates at all.

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

Beijing, the PRC
13 May 2024

As at the date of this announcement, Mr. Ni Jinlei, Ms. Zheng Zhong, Mr. Wang Xingye and Ms. Guan Xueming are the executive Directors, Mr. Liu Ziyi is a non-executive Director, and Mr. Tang Xuan, Mr. Li Chonghua and Mr. Shen Wei are the 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 Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at "www.jbu.com.cn".