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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)

**DISCLOSEABLE TRANSACTION AND CONNECTED
TRANSACTION:
CAPITAL INCREASE AGREEMENT**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



INCU Corporate Finance Limited

CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that on 7 July 2022 (after trading hours), the Company, the Existing Shareholders and the Target Company entered into the Capital Increase Agreement, pursuant to which the Company agreed to inject RMB100,000,000 into the Target Company, of which (i) RMB14,903,862.95 shall be contributed to the registered capital of the Target Company; and (ii) the remaining balance shall be contributed to the capital reserve of the Target Company.

Upon completion of the Capital Injection by the Company, the Company will hold approximately 22.86% of the equity interest in the Target Company.

GEM LISTING RULES IMPLICATIONS

As one of the size test ratios in relation to the Capital Injection is more than 5% but less than 25%, the Capital Injection, standalone, constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. As one of the size test ratios in relation to the Capital Injection, aggregated with the 2021 Capital Injection, is more than 5% but is less than 25%, the Capital Injection under the Capital Increase Agreement remains a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. As such, the Capital Injection is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, Link Yiu, which owns 34.12% of the Target Company, is wholly owned by Ms. Xu, who is the spouse of Mr. Liu, a non-executive Director and a connected person under the GEM Listing Rules. As such, the Target Company is an associate of Mr. Liu, and a connected person of the Company under the GEM Listing Rules. As a result, the transaction contemplated under the Capital Injection constitutes a connected transaction for the Company and will be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Mr. Liu is regarded as having a material interest in the Capital Increase Agreement and the transactions contemplated thereunder and has abstained from voting on the Board resolution approving the Capital Increase Agreement and the transactions contemplated thereunder. Save for the aforesaid, none of the Directors has a material interest in the Capital Increase Agreement and the transactions contemplated thereunder and hence none of them has abstained from voting on the Board resolution approving the Capital Increase Agreement and the transactions contemplated thereunder.

SGM

The SGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the Capital Increase Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Capital Increase Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Capital Increase Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capital Increase Agreement and the transactions contemplated thereunder; (iv) other information as required under the GEM Listing Rules; and (v) a notice of the SGM, will be despatched by the Company to the Shareholders in accordance with the requirements of the GEM Listing Rules. As additional time is required by the Company for the preparation of certain information for inclusion in the circular, the circular is expected to be despatched by the Company to the Shareholders on or before 8 August 2022.

CAPITAL INCREASE AGREEMENT

Reference is made to the announcement of the Company dated 3 September 2021 in relation to the 2021 Capital Injection. The Board is pleased to announce that on 7 July 2022 (after trading hours), the Company, the Existing Shareholders and the Target Company entered into the Capital Increase Agreement.

The major terms of the Capital Increase Agreement are set out below:

Date

7 July 2022

Parties

1. the Company
2. the Existing Shareholders
 - (i) Link Yiu;
 - (ii) Mr. Li Qiming;
 - (iii) Shanghai Shengjin;
 - (iv) Mr. Troy Jonathan Baker; and
3. the Target Company.

As at the date of this announcement, the Company owns 45% equity interest of Shanghai Shengjin (being one of the Existing Shareholders) and Shanghai Shengjin is therefore an associate of the Company.

As at the date of this announcement, Link Yiu, which owns 34.12% of the Target Company, is wholly owned by Ms. Xu, who is the spouse of Mr. Liu, a non-executive Director and a connected person under the GEM Listing Rules. As such, the Target Company is an associate of Mr. Liu and a connected person of the Company under the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Shanghai Shengjin, Link Yiu as mentioned above, each of the Existing Shareholders and their respective ultimate beneficial owners is an Independent Third Party.

Capital Injection

As at the date of this announcement, the registered capital of the Target Company was RMB89,391,889. The shareholding structure of the Target Company as at the date of this announcement was as follows:

Shareholder	Registered capital (RMB)	Approximate % of registered capital contribution
1. Link Yiu	30,500,000	34.12
2. Mr. Li Qiming	21,350,000	23.88
3. Shanghai Shengjin	19,452,700	21.76
4. Mr. Troy Jonathan Baker	9,150,000	10.24
5. The Company	8,939,189	10.00
Total	89,391,889	100.00

Pursuant to the Capital Increase Agreement, the Company has agreed to inject an aggregate of RMB100,000,000 into the Target Company, of which (i) RMB14,903,862.95 shall be contributed to the registered capital of the Target Company; and (ii) the remaining balance shall be contributed to the capital reserve of the Target Company.

The following table illustrates the shareholding structure of the Target Company immediately following completion of the Capital Injection by the Company:

Shareholder	Registered capital (RMB)	Approximate % of registered capital contribution (Note)
1. Link Yiu	30,500,000.00	29.244
2. Mr. Li Qiming	21,350,000.00	20.471
3. Shanghai Shengjin	19,452,700.00	18.651
4. Mr. Troy Jonathan Baker	9,150,000.00	8.773
5. the Company	23,843,051.95	22.861
Total	104,295,751.95	100.000

Note: The percentage of registered capital contribution is calculated up to three decimal places only. The numerical value after the decimal places may be adjusted subject to the requirements of company change registration authority.

Upon the completion of the Capital Injection by the Company, the Target Company will be treated as interest in an associate in the Company's financial statements.

The Capital Injection shall be conditional upon the fulfillment of the following Conditions Precedent:

- (i) the due execution of the Capital Increase Agreement and the respective transaction documents in relation to the Capital Injection;
- (ii) the passing of the shareholders' resolution and the board resolution of the Target Company approving the Capital Increase Agreement and the transactions contemplated thereunder and the signing and execution of relevant legal documents by the Target Company; and
- (iii) the Independent Shareholders approving the Capital Increase Agreement and the transactions contemplated thereunder at the SGM in accordance with the requirements of the GEM Listing Rules.

If the Conditions Precedents are not fulfilled by 31 December 2022, the Capital Increase Agreement will be terminated.

Payment of capital

Pursuant to the Capital Increase Agreement, upon fulfillment of all the Conditions Precedent, the Target Company shall issue a written notice to the Company specifying the bank account information of the Target Company and the fact that all the Conditions Precedent have been fulfilled, together with the proof of fulfillment of all the Conditions Precedent. The Company shall then pay the investment sum of RMB100,000,000 to the designated bank account of the Target Company within 15 Business Days upon receipt of the above written notice. The Target Company shall complete the industrial and commercial change registration with the relevant market supervisory administration in respect of the increase in share capital of the Target Company within 15 Business Days upon receipt of the investment sum from the Company.

The amount of the Capital Injection to be made by the Company to the Target Company of RMB100,000,000 was arrived at after arm's length negotiations between the Company and the Target Company having taken into account of the valuation of the market value of the total equity interest of the Target Company as at 30 April 2022 of approximately RMB620,000,000 conducted by an independent professional valuer using income approach and the Capital Injection. The Directors consider that the amount of the Capital Injection is fair and reasonable.

Use of capital injected

The capital injected by the Company shall be used for business expansion of the Company or other purposes approved by the board of directors of the Target Company after the completion of the Capital Injection, in accordance with the financial budget and operation plans approved by the board of directors of the Target Company.

Board composition of the Target Company

Upon completion of the Capital Injection, the board of directors of the Target Company shall continue to consist of five directors.

Rights of the Company

Save for the Company, no shareholders of the Target Company shall have the right to request other shareholders of the Target Company to join in any sale of the equity interest in the Target Company to any third party (i.e. drag-along rights). Upon the Company becoming a shareholder of the Target Company, if the Target Company shall undertake any fund raising activity, the proposal to provide drag-along rights to the intended new investors of the Target Company shall be subject to prior written approval of the Company.

If any of the Existing Shareholders intends to transfer its equity interest in the Target Company to any third party in whole or in part, the Company shall have the pre-emptive right to acquire such equity interest in whole or in part under the same terms.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC. It is principally engaged in (i) the technical development, technical service, technical consultation and technical transfer of semiconductor and new material technology; (ii) the sale of semiconductor materials and equipment; and (iii) import and export of goods and technology (any business which requires to be approved by law can only be carried out upon approval by relevant authorities).

Set out below is a summary of the unaudited financial information of the Target Company for the two financial years ended 31 December 2020 and 31 December 2021 respectively:

	For the year ended 31 December	
	2020	2021
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Net profit before taxation	237	2,713
Net profit after taxation	227	2,752

The unaudited net asset value of the Target Company as at 31 December 2021 was approximately RMB143,294,000.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

The Company, through its subsidiaries, is principally engaged in the development of travel and leisure business, investment holding and trading of metallic products.

The Directors (excluding the independent non-executive Directors whose views will be given after considering the advice of the Independent Financial Adviser as to the fairness and reasonableness of the terms of the Capital Increase Agreement and the transactions contemplated thereunder) consider that the Capital Injection represents a good investment opportunity and is in line with the Group's vision to invest in target companies or businesses having promising outlooks and prospects. The Capital Injection allows the Group to enlarge its investment in the Target Company and its business activities.

The Directors (excluding the independent non-executive Directors whose views will be given after considering the advice of the Independent Financial Adviser as to the fairness and reasonableness of the terms of the Capital Increase Agreement and the transactions contemplated thereunder) consider that the terms of the Capital Increase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the size test ratios in relation to the Capital Injection is more than 5% but less than 25%, the Capital Injection, standalone, constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. As one of the size test ratios in relation to the Capital Injection, aggregated with the 2021 Capital Injection, is more than 5% but is less than 25%, the Capital Injection under the Capital Increase Agreement remains a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. As such, the Capital Injection is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, the Target Company is owned as to 34.12% by Link Yiu, which is wholly owned by Ms. Xu. Ms. Xu is the spouse of Mr. Liu, a non-executive Director. As such, the Target Company is an associate of Mr. Liu and a connected person of the Company under the GEM Listing Rules. As a result, the transaction contemplated under the Capital Injection constitutes a connected transaction for the Company and will be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Mr. Liu is regarded as having a material interest in the Capital Increase Agreement and the transactions contemplated thereunder and has abstained from voting on the Board resolution approving the Capital Increase Agreement and the transactions contemplated thereunder. Save for the aforesaid, none of the Directors has a material interest in the Capital Increase Agreement and the transactions contemplated thereunder and hence none of them has abstained from voting on the Board resolution approving the Capital Increase Agreement and the transactions contemplated thereunder.

SGM

The SGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the Capital Increase Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Mr. Liu holds 2,311,000 H Shares (representing approximately 0.15% of the Company's total issued share capital) and he will be required to abstain from voting at the SGM on the resolution relating to the Capital Increase Agreement and the transactions contemplated thereunder. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder will be required to abstain from voting at the SGM in respect of the resolution relating to the Capital Increase Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Capital Increase Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Capital Increase Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capital Increase Agreement and the transactions contemplated thereunder; (iv) other information as required under the GEM Listing Rules; and (v) a notice of the SGM, will be despatched by the Company to the Shareholders in accordance with the requirements of the GEM Listing Rules. As additional time is required by the Company for the preparation of certain information for inclusion in the circular, the circular is expected to be despatched by the Company to the Shareholders on or before 8 August 2022.

DEFINITIONS

The following expressions have the following meanings in this announcement unless the content requires otherwise:

“2021 Capital Injection”	the capital injection of RMB50,000,000 into the Target Company made by the Company in accordance with the terms of the capital increase agreement dated 3 September 2021, details of which are set out in the Company’s announcement dated 3 September 2021
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Days”	any day excluding Saturday, Sunday and public holidays in the PRC
“Capital Increase Agreement”	the capital increase agreement dated 7 July 2022 entered into by the Company, the Existing Shareholders and the Target Company in relation to the Capital Injection
“Capital Injection”	the capital injection of RMB100,000,000 into the Target Company to be made by the Company in accordance with the terms of the Capital Increase Agreement
“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 joint stock limited company incorporated in the PRC with limited liability with its H Shares listed on GEM
“Conditions Precedent”	conditions precedent to the Capital Injection
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Existing Shareholders”	Link Yiu, Mr. Li Qiming, Shanghai Shengjin and Mr. Troy Jonathan Baker
“GEM”	GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign invested share(s) in the ordinary share capital of the Company, with a nominal value of RMB0.1 each
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	INCU Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Capital Increase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders, other than those who are required by the GEM Listing Rules to abstain from voting on the resolution relating to the Capital Increase Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) which is/are independent of the Company and its connected persons
“Link Yiu”	Link Yiu Holdings Limited, a company incorporated in Hong Kong with limited liability and an existing shareholder of the Target Company principally engaged in investment holding and the sole ultimate beneficial owner of which is Ms. Xu
“Mr. Liu”	Mr. Liu Ziyi, a non-executive Director
“Ms. Xu”	Ms. Xu Mengran, the spouse of Mr. Liu

“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Capital Increase Agreement and the transactions contemplated thereunder
“Shanghai Shengjin”	上海盛今創業投資有限公司 (in English for identification purpose only, Shanghai Shengjin Venture Capital Investment Co., Ltd.), a limited liability company incorporated in the PRC and an existing shareholder of the Target Company principally engaged in investment holding and is ultimately owned as to (i) 45% by the Company; (ii) 30% by Li Peng and Shen Yunxie; and (iii) 25% by other Independent Third Parties
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	鎔特半導體科技(上海)有限公司 (in English for identification purpose only, Eta Semiconductor Technology (Shanghai) Co., Ltd.), a limited liability company incorporated in the PRC
“%”	per cent

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

Beijing, the PRC
7 July 2022

As at the date of this announcement, Mr. Ni Jinlei, Ms. Zheng Zhong, Mr. Wang Xingye and Ms. Guan Xueming are executive Directors, Mr. Liu Ziyi is a non-executive Director, and Mr. Tang Xuan, 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 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".