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新華聯合投資有限公司

CHINA UNITED VENTURE INVESTMENT LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8159)

INSIDE INFORMATION

LAND RESUMPTION

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules, and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the SFO.

BACKGROUND

In late August 2023, Asia-Link, an indirect wholly-owned subsidiary of the Company, received a notice from the Fogang Land Bureau (the “**Land Resumption Notice**”). According to the Land Resumption Notice, Asia-Link was informed that the land use right to the Resumed land and the Buildings and Fixtures owned by it, was subject to resumption by the Fogang Land Bureau as a result of the government’s policy on urban construction planning and road widening works on the Resumed Land.

THE LAND RESUMPTION

The Board would like to announce that on 19 October 2023, Asia-Link entered into the Land Resumption Agreement with the Fogang Land Bureau, in respect of the Land Resumption, together with all Buildings and Fixtures, for a total consideration of RMB73,800,000. Pursuant to the Land Resumption Agreement, Asia-Link shall surrender the land use rights of the Resumed Land to the Fogang Land Bureau.

Details of the Resumed Land

The Resumed Land is situated at Huanglang Village, Longshan Town, Fogang County, the PRC (中華人民共和國佛岡縣龍山鎮黃塋村地段), with a site area of approximately 123,093.4 sq.m. The Resumed Land has been approved for industrial use purpose. The Buildings and Fixtures comprises production plants, dormitories and canteens, with a floor area of approximately 18,680.3 sq.m. As at the date of this announcement, the Resumed Land is in use for the business operation of the Group.

Compensation and Payment Terms

Pursuant to the Land Resumption Agreement, the compensation payable to Asia-Link for the Land Resumption comprised two instalments, and shall be paid by the Fogang Land Bureau in the following manner and timeline:

- (1) the first instalment of the compensation of RMB21,000,000 shall be deposited by the Fogang Land Bureau into the designated account of Asia-Link within seven (7) days after entering into the Land Resumption Agreement; and
- (2) the second instalment of the remaining balance of the compensation of RMB52,800,000 shall be deposited by the Fogang Land Bureau into the designated account of Asia-Link within six (6) months after entering into the Land Resumption Agreement, or within one (1) month after the Fogang Land Bureau completes the transfer of the Resumed Land through public auction, whichever is earlier.

The aggregate compensation for the Land Resumption was determined by the Fogang Land Bureau based on the relevant laws, regulations and procedures applicable to resumption of lands in Fogang County, taking into account the consideration for the transfer of title of the Resumed Land, the purchase price for the buildings erected on the Resumed Land, compensation for the Resumed Land and other costs to be incurred by Asia-Link in relation to the Land Resumption.

The second instalment of compensation for the Land Resumption payable by the Fogang Land Bureau shall be pledged to a lending bank of Asia-Link as an account receivable to replace the land and buildings mortgaged by Asia-Link to the lending bank, so as to enable Asia-Link to complete procedures for the Land Resumption. According to the Land Resumption Agreement, Asia-Link shall, within fifteen (15) days after receiving the first instalment of compensation for the Land Resumption, deliver relevant certificate of title and related documents of the Resumed Land, Buildings and Fixtures to the Fogang Land Bureau to assist the Fogang Land Bureau in handling relevant procedures for the cancellation of the certificate of title. Asia-Link shall also vacate the plant and hand over the Resumed Land, Buildings and Fixtures to the Fogang Land Bureau on an as-is basis within one (1) month after the aggregate compensation is fully settled by the Fogang Land Bureau.

If Asia-Link fails to deliver the Resumed Land, Buildings and Fixtures and the relevant certificates and documents to the Fogang Land Bureau within the agreed period of time, it shall pay the Fogang Land Bureau liquidated damages for its delayed performance at the rate of 5/10,000 of the compensation that should have been received by Asia-Link for each day of delay.

If Asia-Link delays the delivery of the Resumed Land for more than thirty (30) days after the agreed date, the Fogang Land Bureau is entitled to unilaterally terminate the Land Resumption Agreement by giving a written notice to Asia-Link. In such case, Asia-Link shall fully return the compensation already received to the Fogang Land Bureau, and further compensate the Fogang Land Bureau with an amount that is equivalent to 20% of the compensation that should have been received by it (the “**Returned Compensation**”). If the Returned Compensation is insufficient to cover the losses of the Fogang Land Bureau resulting from Asia-Link’s breach of contract, Asia-Link shall increase the amount of such Returned Compensation to cover the entire losses of the Fogang Land Bureau.

If, however, the Fogang Land Bureau fails to pay the compensation for the Land Resumption to Asia-Link within the agreed period of time for each instalment, it shall pay Asia-Link liquidated damages for its delayed performance at the rate of 5/10,000 of the compensation that should have been paid to Asia-Link for each day of delay.

If the Fogang Land Bureau delays the payment of each instalment of the compensation for more than thirty (30) days after the agreed date, Asia-Link has the right to unilaterally terminate the agreement by giving a written notice to the Fogang Land Bureau. In such case, the Fogang Land Bureau shall return the Resumed Land to the Asia-Link, and compensate Asia-Link with an amount that is equivalent to 20% of the compensation that should have been paid to Asia-Link for the Land Resumption. In the event that the certificate of title of the Resumed Land has been cancelled or cannot be returned to Asia-Link for other reasons, the Fogang Land Bureau shall provide Asia-Link with a piece of land which is of the same value as that of the Resumed Land (the market value of the Resumed Land is determined at the time when entering into the Land Resumption Agreement).

The Land Resumption Agreement becomes effective upon signing by both parties.

Information of the parties to the Land Resumption Agreement

The Company is an investment holding company. The Group is principally engaged in (i) the sales of connectivity products to two classes of customers, namely, original equipment manufacturer customers and retail distributors; (ii) the provision of comprehensive architectural services (master-planning and architectural design); and (iii) the provision of financial services such as fund issuance asset management, distressed asset management and insurance brokerage.

Asia-Link, an indirect wholly-owned subsidiary of the Company, is principally engaged in the production of, among others, computer products, telecommunication products, electronic products and peripheral products.

The Fogang Land Bureau is an Independent Third Party and the local authority entrusted by the local government of Fogang County to be responsible for, among others, the implementation of the Land Resumption.

Effect of the Land Resumption

The Company intends to apply proceeds received from the Land Resumption to, among others, relocate its production plant, repay its existing mortgage loans, and upgrade its production equipment and for other operation costs. The Company expects the Land Resumption to improve its operating cashflow.

As the Group has another plant and production equipment located in Tangxia Town, Dongguan City, Guangdong Province, the PRC (中國廣東省鎮東莞市塘廈鎮). Therefore, upon completion of the Land Resumption, the production capacity of the Group is expected to be undertaken by the plant and production equipment in the same province. It is expected that the Land Resumption will not pose material hindrance to, and will not have a material adverse effect on, the business operations of the Group.

CONTINUED SUSPENSION OF TRADING IN THE SHARES OF THE COMPANY

As disclosed in the announcement on quarterly update on resumption dated 3 July 2023, the Company and its professional advisers are in the progress of devising a resumption plan with actions that it intends to take to remedy the issues causing the trading suspension and to fulfil the resumption guidance. Trading in the shares of the Company on GEM of the Stock Exchange was suspended with effect from 9:00 a.m. on 3 April 2023 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

“Asia-Link”	Asia-Link (Fogang) Electronic Limited (亞聯(佛岡)電子有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Buildings and Fixtures”	the buildings and fixtures erected on the Resumed Land, including structures, attachments and machinery
“Company”	China United Venture Investment Limited (新華聯合投資有限公司), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the GEM (stock code: 8159)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the director(s) of the Company

“Fogang Land Bureau”	the Land Development and Reserve Bureau of Fogang County (佛岡縣土地開發儲備局)
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended from time to time
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons within the meaning ascribed to such term in the GEM Listing Rules
“Land Resumption”	the resumption of the Resumed Land, Buildings and Fixtures by the Fogang Land Bureau pursuant to the terms and conditions of the Land Resumption Agreement
“Land Resumption Agreement”	the Land Resumption Agreement entered into between Asia-Link and the Fogang Land Bureau on 19 October 2023 in relation to the Land Resumption
“PRC”	the People’s Republic of China
“Resumed Land”	the piece of land located at Huanglang Village, Longshan Town, Fogang County, the PRC (佛岡縣龍山鎮黃塋村地段), with an area of 123,093.4 sq.m.
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of share(s) of the Company from time to time
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
CHINA UNITED VENTURE INVESTMENT LIMITED
Wang Li Feng
Co-Chairman and Executive Director

Hong Kong, 20 October 2023

As at the date of this announcement, the executive Directors are Mr. Wang Li Feng (Co-Chairman), Mr. Fan Xiaoling and Mr. Ni Xian; the non-executive Director is Mr. Huang Bin (Co-Chairman); and the independent non-executive Directors are Dr. Yan Ka Shing, Mr. Sui Fuxiang and Mr. Zhang De An.

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 “Latest Listed Company Information” page of the Stock Exchange website at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at www.glorymark.com.tw/hk/investor.htm. In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.