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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)

KEY FINDINGS OF INDEPENDENT INVESTIGATION AND INTERNAL CONTROL REVIEW

KEY FINDINGS OF THE INDEPENDENT INVESTIGATION

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China United Venture Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (“**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 30 March 2023, 3 April 2023, 28 April 2023, 14 May 2023, 12 June 2023, 2 July 2023, 12 October 2023, 30 October 2023, 18 January 2024 and 4 March 2024, in relation to (i) possible delay in (1) the publication of the 2022 annual results and the dispatch of the 2022 annual report and (2) the publication of first quarterly results and first quarterly report for the three months ended 31 March 2023; (ii) the suspension of trading of its shares; (iii) the resumption guidance set forth by the Stock Exchange (“**Resumption Guidance**”); (iv) the quarterly update on resumption progress; and (v) the appointment of independent third party professional to prepare an independent review report (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

BACKGROUND

On 3 April 2023, trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company, pending the publication of the audited annual results announcement of the Group for the year ended 31 December 2022 (the “**FY2022 Results**”).

On 14 May 2023, the Company announced that the Board had identified certain issues in respect of audit of the FY2022 Results by the Auditor.

On 9 June 2023, the Company established a Review Committee for the purpose of reviewing and reporting on the matters and issues leading to and/or otherwise relating to the suspension of trade of the Company identified by the Auditors. On 28 March 2024, Ms. Lo Choi Ha was also appointed as a member of the Review Committee.

On 25 October 2023, the Company received a resumption guidance from the Stock Exchange, that the Company to conduct an independent investigation into the audit issues, announce the findings, assess the impact on the Company's business operation and financial position and take appropriate remedial action.

The Review Committee engaged Messrs. Stevenson, Wong & Co. (the "**Investigation Firm**") to conduct an independent investigation (the "**Investigation**") into the issues identified by the Auditors (the "**Audit Issues**"). The purpose of this announcement is to provide the Shareholders and potential investors of the Company with key findings of the Investigation and the views of the Review Committee and the Board of the findings.

SCOPE OF THE INVESTIGATION

The scope of the Investigation is as follows:

1. In respect of certain transactions of the Group ("**Transactions**"), whether (1) there were any commercial reason(s) for those Transactions and whether they were conducted on normal commercial terms; (2) they were properly approved by the Board; and (3) they were in compliance with the GEM Listing Rules.
2. Whether the acquisitions of SVCL, SICL, SVIHK and QDDC were supported by purchase price allocation report(s) and were properly approved by the Board; and
3. To review the delay in the provision of the fraud risk questionnaires by certain Directors and going concern forecast to the Auditor in respect of its audit of the FY2022 Results.

The Major Investigation Procedures

The major investigation procedures conducted by the Investigation Firm include but are not limited to:

1. obtaining and reviewing relevant documents relating to the above transactions and issues;
2. conducting interviews with the relevant personnel of the Group and the counterparties to the relevant transactions;
3. conducting independent searches against the relevant parties to the transactions; and
4. obtaining information about the relevant internal control policies and procedures of the Group.

Summary of key investigation findings

The Transactions

A. *The Group's transactions with Company A and CGEM*

- (1) A design and technological service agreement 《設計及技術服務合同》 was entered into between PT Design, an indirect wholly-owned subsidiary of the Company, and Company A dated 3 March 2022 (the “**Design Service Agreement**”), under which PT Design agreed to engage the design service of Company A for a fee of RMB50 million with half of it payable upfront. A total sum of RMB14.5 million was transferred to Company A under this Design Service Agreement.
- (2) A loan agreement 《借款協議》 was entered into between PT Design as lender and Company A as borrower dated 8 June 2022, under which PT Design provided a loan of RMB5 million to Company A for a term of 2 days (the “**Company A Loan Agreement**”). The principal terms of Company A Loan Agreement are as follows:

Date	8 June 2022
Lender	PT Design
Borrower	Company A
Principal	RMB5,000,000
Term	2 days (from 8 June to 10 June 2022)
Interest rate	Nil

- (3) A debt assignment agreement 《債權轉讓協議》 entered into between PT Design, Company A and CGEM dated 20 June 2022, under which the rights of PT Design in respect of the aforementioned RMB5 million debt due from Company A under the Company A Loan Agreement was assigned to CGEM for RMB5 million (the “**Debt Assignment Agreement**”). The principal terms of the Debt Assignment Agreement are as follows:–

Date	20 June 2022
Assignor	PT Design
Assignee	CGEM

Subject matter	The rights of PT Design under the Company A Loan Agreement in respect of the then outstanding principal of RMB5,000,000 payable by Company A to PT Design
Consideration	RMB5,000,000
Payment term	The consideration is payable on the date of signing of the Debt Assignment Agreement

Under the Debt Assignment Agreement, PT Design also agreed to waive all interest accrued on the principal of RMB5,000,000 under the Company A Loan Agreement since 10 June 2022.

- (4) A loan agreement 《借款協議》 entered into between PT Design as lender and CGEM as borrower on 25 March 2022, under which PT Design provided a loan of RMB10,500,000 to CGEM for a term of 1 year (the “**1st CGEM Loan Agreement**”). The principal terms of the 1st CGEM Loan Agreement are as follows:

Date	25 March 2022
Lender	PT Design
Borrower	CGEM
Principal	RMB10,500,000
Term	1 year from the date of signing of the 1st CGEM Loan Agreement
Interest rate	Nil

- (5) A loan agreement 《借款協議》 entered into between PT Design and CGEM on 10 August 2022, under which PT Design provided a loan of RMB2,000,000 to CGEM for a term of 1 year (the “**2nd CGEM Loan Agreement**”). The principal terms of the 2nd CGEM Loan Agreement are as follows:

Date	10 August 2022
Lender	PT Design
Borrower	CGEM
Principal	RMB2,000,000
Term	1 year from the date of signing of the 2nd CGEM Loan Agreement
Interest rate	Nil

- (6) A natural person guarantee 《自然人保證合同》 entered into between PT Design, the legal representative of Company A and the legal representative of 北文時代(北京)文化有限公司 (Beiwen Times (Beijing) Culture Limited) (“**Beiwen Times**”) Mr. Wan dated 9 January 2024 (the “**Personal Guarantee**”).

Circumstances surrounding the above transactions

Based on the Investigation, the Design Service Agreement was connected to the exclusive strategic cooperation agreement (the “**Exclusive Strategic Cooperation Agreement**”) entered into between PT Design and 北文時代(北京)文化有限公司 (Beiwen Times (Beijing) Culture Limited) (“**Beiwen Times**”) announced by the Company on 4 March 2022.

In around early 2022, the Company and Beiwen Times were considering a business collaboration by (1) the Company investing into the equity of Beiwen Times and becoming one of its shareholders and (2) Beiwen Times engaging the Company to be its exclusive design service provider for its cultural tourism projects.

At the material time, Beiwen Times had a number of cultural tourism projects which it intended to develop, including a project in Wuhan, PRC. Under the Exclusive Strategic Cooperation Agreement, PT Design was appointed as the exclusive design service provider of Beiwen Times. Although PT Design possessed expertise in architectural design and planning, its focus had been on design projects of real estate development and as such it did not have a lot of experience in conducting project planning, feasibility studies and commerciality operation and design which were relevant to the design of a cultural tourism project.

For this reason, Beiwen Times introduced Company A to PT Design, and Company A and PT Design entered into the Design Service Agreement under which PT Design would outsource to Company A the works in relation to project planning and feasibility studies and commerciality operation. The parties also orally agreed that, if the project could not be secured, the prepayment would be refunded. The Design Service Agreement was entered into by Mr. Wang on behalf of PT Design.

Prepayments totalling RMB14.5 million were transferred to Company A by PT Design under the Design Service Agreement. The payments were approved by Mr. Wang. Subsequently, the project in Wuhan fell through and due to the impact of COVID and economic recession in the PRC, there were no collaborative projects commenced between Company A, Beiwen Times and PT Design. Consequently, the Design Service Agreement was terminated and Company A agreed to refund RMB14.5 million to PT Design. Company A and PT Design entered into a Contract Cancellation and Refund Agreement (合約解除及退款協議) dated 10 January 2024 (“**Company A Cancellation Agreement**”), the principal terms of which are as follows:

Date	10 January 2024
Party A	PT Design
Party B	Company A
Subject matter	The cancellation and discharge of the Design Service Agreement
Return of prepayment	Party B shall return the prepayments totalling RMB14,500,000 to Party A by 30 September 2024 with interest accrued from the dates on which the funds were transferred until the date on which they were returned calculated at 5% per annum

The Company A Cancellation Agreement was entered into by Mr. Wang on behalf of PT Design.

In respect of the Company’s investment into the equity of Beiwen Times, at the material time Beiwen Times was inviting subscription for its capital for its cultural tourism projects. Because the subscription was only open to Beiwen Times’s shareholders, Beiwen Times, PT Design and CGEM (which was a shareholder of Beiwen Times) agreed that PT Design could subscribe for capital in Beiwen Times via CGEM. Consequently, on 25 March and 10 August 2022, the 1st and 2nd CGEM Loan Agreements were entered into and the sums RMB10.5 million and RMB2 million were transferred from PT Design to CGEM respectively. These agreements were entered into by Mr. Wang on behalf of PT Design, and the relevant payments were approved by Mr. Wang.

According to the Investigation, the sum of RMB10.5 million received by CGEM from PT Design was transferred to Beiwen Times. CGEM did not transfer the RMB2 million received from PT Design under the 2nd CGEM Loan Agreement to Beiwen Times because the subscription was cancelled due to adverse market condition, and this sum has been returned to PT Design.

In order to secure the repayment obligations of Company A and CGEM in respect of the said sums of RMB14.5 million and RMB10.5 million respectively under the Company A Cancellation Agreement and 1st CGEM Loan Agreement, Mr. Wan and the legal representative of Company A entered into the Personal Guarantee at the request of the Company. The Personal Guarantee was also entered into by Mr. Wang on behalf of PT Design.

Based on the Investigation, the Company A Loan Agreement and Debt Assignment Agreement were transactions independent from the transactions described above. Both of these agreements were entered into by Mr. Wang on behalf of PT Design.

At the material time, PT Design was informed that Company A encountered a short-term liquidity issue and would like to borrow from PT Design RMB5 million for 2 days. Mr. Wang approved the loan because PT Design had just begun a business relationship with Company A and he was assured that the loan would be repaid. Since the term of the loan was only 2 days, it was provided interest-free. The transfer was approved by Mr. Wang.

Company A did not repay the loan on time, and upon the repayment request of Mr. Wang, the loan owed to PT Design by Company A was assigned to CGEM under the Debt Assignment Agreement, and on 26 April 2023, CGEM transferred RMB5 million, being the consideration under the Debt Assignment Agreement, to PT Design.

In respect of the amount due to PT Design under the Company A Cancellation Agreement and the 1st CGEM Loan Agreement, PT Design entered into an factoring agreement with an independent third party, under which PT Design agreed to assign its rights in respect of total outstanding amount due from Company A and CGEM for a consideration of RMB25 million (i.e. 100% of the amount due to PT Design under the Company A Cancellation Agreement and 1st CGEM Loan Agreement exclusive of interest), and in return a service fee and interest will be charged to PT Design. The Investigation Firm notes that commercial acceptance bills in the total sum of RMB25 million were issued to a wholly-owned subsidiary of PT Design, on 28 and 29 March 2024.

Relationship between the parties involved in the transactions

- (1) Based on the investigation, at the material time CGEM was wholly owned by RAMIL. 60% of the issued shares in RAMIL was owned by RGHL. Mr. Huang, former non-executive Director and co-Chairman of the Board, was the sole shareholder of RGHL.
- (2) At the material time, CGEM held 6.82% of the registered capital of Beiwen Times. Also, at the material time, Mr. Wan, Mr. Huang and Mr. Ni were directors of CGEM.
- (3) The sole shareholder and the legal representative of Company A was the ex-wife of Mr. Wan. The financial controller of Company A was also a director of CGEM. It is believed that Company A was a company controlled by Mr. Wan.

Observation of the Investigation Firm

The Investigation Firm has the following observations:

- (1) The service fee of RMB50 million under the Design Service agreement was calculated based on (a) the total floor area of the intended cultural tourism projects to be undertaken (in square meters); (b) the industry average cost of design for cultural tourism projects and (c) the proportion of work to be undertaken by Company A in a project.
- (2) Based on the interviews conducted by the Investigation Firm, the prepayment term was in line with market practice in respect of cultural tourism project design.
- (3) The existence of the intended investment into Beiwen Times is consistent with information provided by the relevant interviewees, the preparation of the relevant draft agreement and the terms therein, and the recitals to the Personal Guarantee signed by the parties.
- (4) There were valuation reports commissioned at the material time. Based on those valuation reports, the fair value of Beiwen Times exceeded RMB2.5 billion. The intended investment into Beiwen Times was also recorded in the draft subscription agreement prepared by the parties and in the Personal Guarantee.
- (5) Based on the Investigation, Company A was not a connected person of the Company at the material time. There is evidence that Company A is a company with business operation. There is also evidence of the actual works carried out by Company A under the Design Service Agreement in respect of the said Wuhan project.
- (6) The provision of interest-free loans to CGEM and Company A by themselves were not conducted on normal commercial terms.

Whether the transaction was properly approved

Based on the Investigation, the Directors who had knowledge of the aforementioned transactions at or around the time when they were entered into included Mr. Wang, Mr. Huang and Mr. Ni. Nonetheless, these transactions do not appear to be properly approved by the Board.

The Company's non-compliance with the GEM Listing Rules

At the time when the 1st and 2nd CGEM Loan Agreements and the Debt Assignment Agreement were entered into, Mr. Huang was a Director. Since CGEM was wholly owned by RAMIL of which RGHL was a majority shareholder, and RGHL was wholly owned by Mr. Huang, both the 1st and 2nd CGEM Loan Agreements and the Debt Assignment Agreement constituted connected transactions of the Company. Further, as one of the applicable percentage ratios of the 1st and 2nd CGEM Loan Agreement, on an aggregated basis exceeded 5% but was below 25%, the 1st and 2nd CGEM Loan Agreements also constituted a discloseable transaction. The Company has yet to comply with the applicable requirements.

One of the applicable percentage ratios for the Company A Cancellation Agreement exceeded 5% but was below 25%. The Company A Cancellation Agreement constituted a discloseable transaction of the Company under the GEM Listing Rules. The Company has yet to comply with the applicable requirement.

B. The Group's transactions with Company B and C

- (1) On 9 September 2022, Company B entered into an agreement for the sale and purchase of cloud services and products (雲服務產品銷售合同) (“**Cloud Service Agreement**”) with Glory Mark. Under the Cloud Service Agreement, Company B agreed to provide to Glory Mark cloud services for RMB5 million for a term of 3 years.
- (2) On 23 June 2022, PT Technology entered into a loan agreement (借款合同) with Company C and its sole shareholder Company D (“**Company C Loan Agreement**”). The principal terms of Company C Loan Agreement are as follows:

Date	23 June 2022
Lender	PT Technology
Borrower	Company C
Principal	RMB5,000,000
Term	3 years (from 25 June 2022 to 24 June 2025), extendable for another 2 years
Interest rate	6% p.a.
Repayment Terms	Interest shall be repaid every 6 months, with the principal to be repaid on the due date
Purpose	Production and operation of Company C
Security	Company D's 35% interest in Company C by way of a share pledge

- (3) On 30 March 2023, PT Technology entered into a debt investment agreement (債權投資協議) with Company C and Company D (“**Debt Investment Agreement**”). The principal terms of the Debt Investment Agreement are as follows:

Date	30 March 2023
Party A	PT Technology
Party B	Company C
Party C	Company D
Subject matter	5% of the registered capital in Company C

Consideration	The rights of PT Technology in respect of the loan of RMB5,000,000 provided under the Company C Loan Agreement
Term	<p>The RMB5 million loan provided by PT Technology to Company C under the Company C Loan Agreement shall be considered as an investment into Company C, and converted to a contribution to 5% of the registered capital of Company C.</p> <p>Upon completion of the debt-equity conversion, the loan under the Company C Loan Agreement is considered to have been repaid and the Company C Loan Agreement is automatically terminated.</p>

Circumstances surrounding the above transactions

Based on the Investigation, the Company has been operating both its electronics business and its architectural design business. The Investigation Firm obtained evidence that at the material time the Company was considering the deployment of cloud storage and computing services in its businesses.

Based on the Investigation, at the time the Company took the view that the adoption of cloud services could assist, amongst other things, the Company's management of its online sale platform and network, its analysis of the relevant production and sales data and market trend, and its architectural design business as it could provide the necessary electronic computing and storage power to facilitate the engagement of AI technology.

Based on the Investigation, at the time both Company B and C were controlled by Individual A, who was one of the business acquaintances of Mr. Wang and had been engaging in the business of provision of cloud services. The Investigation Firm also noted from the records it obtained and the information provided to it that site visit and inspection of servers and computers of Company B were conducted. PT Technology also carried out an assessment of the reasonableness of the price for the cloud services offered by Company B.

The Cloud Service Agreement was entered into by Mr. Wang on behalf of Glory Mark, and that on 14 September 2022, PT Design transferred RMB5 million to Company B under the Cloud Service Agreement. This payment was approved by Mr. Wang.

In respect of the Company C Loan Agreement and the Debt Investment Agreement, according to the Investigation, they were entered into by Mr. Liu on behalf of PT Technology at the instruction of Mr. Wang. At the material time Company C was looking for capital for its business expansion. Individual A reached out to Mr. Wang, and presented to him the opportunity to invest into his business, and due to the popularity in the cloud industry at the time and the rate of growth of Company C, Mr. Wang was interested in making an investment. However, to protect the interest of PT Technology, Mr. Wang and Individual A agreed that the capital should initially be provided in the form of a loan, which would be convertible into equity in Company C if the performance of Company C continues to be satisfactory, and that Company D should provide a share pledge as security for Company C's repayment obligations.

On 23 June 2022, PT Technology transferred RMB5 million to Company C. Based on the Company's internal records, this transfer was approved by Mr. Wang. Based on the Investigation, the performance of Company C was considered to be satisfactory, and on 30 March 2023, the Debt Investment Agreement was entered into. On 13 April 2023, PT Technology was registered as a shareholder of Company C.

Based on the Investigation, after the debt was converted into equity investment in Company C, Mr. Wang informed Individual A that PT Technology would like to exit from the investment due to a rapid development in AI and GPU technology and that the Group had a need for liquidity, and ultimately the parties agreed to the termination of the investment, and this resulted in PT Technology selling its entire shareholding in Company C to an independent third party for the consideration of RMB5 million. The consideration was received by PT Technology in full on 2 February 2024.

Observation of the Investigation Firm

The Investigation Firm has the following observations:

- (1) Based on the Investigation, there is evidence of consideration by the Company about the utilization of cloud services in the electronics business and architectural design business.
- (2) There is evidence of due diligence exercises conducted by PT Technology in respect of the Cloud Service Agreement and investment into Company C.
- (3) Electronic invoices for the provision of cloud services were issued under the relevant local municipal government by Company B to PT Technology.
- (4) Based on the Investigation, Individual A and the counterparties involved in the Cloud Service Agreement, Company C Loan Agreement and Debt Investment Agreement were not connected persons of the Company at the material time.

Whether the transaction was properly approved

Based on the Investigation, the Director who had knowledge of the aforementioned transactions at or around the time when they were entered into included Mr. Wang. Nonetheless, these transactions do not appear to be properly approved by the Board.

C. The Group's transaction with Company E

On or around 18 August 2022, Company E entered into a loan agreement with XHGK, an indirect wholly-owned subsidiary of the Company at the time, under which Company E advanced a loan of RMB1.94 million to XHGK at nil interest for a period of 1 year (the “**XHGK Loan Agreement**”). The principal terms of the XHGK Loan Agreement are set out below:

Date	18 August 2022
Lender	Company E
Borrower	XHGK
Principal	RMB1,940,000
Term	1 year
Interest rate	Nil
Purpose	Working capital of XHGK

Circumstances surrounding the above transaction

On 26 May 2022, the Company, through PT Technology, acquired the entire shareholding in XHGK at nominal consideration. Based on the Investigation, the acquisition of XHGK was for the purpose of the Company's development of a business in the PE fund sector.

Based on the Investigation, since XHGK was newly acquired, it did not have sufficient operating capital nor was it able to meet the loan requirements for financial institutions at the material time. Therefore, XHGK sought short term financial assistance from Company E, which was a friendly party introduced through Mr. Huang and Mr. Wan.

Observation of the Investigation Firm

The Investigation Firm has the following observations:

- (1) The acquisition of XHGK was in connection with the Company's development of a fund management business in the Greater Bay Area.
- (2) XHGK sought short term financial assistance from Company E for its initial operation expenses in connection with the setting up of its investment and fund management business.
- (3) XHGK was a recipient of the financial assistance offered to it by Company E, which was provided interest-free and without any security.
- (4) The Investigation Firm obtained evidence of operational expenses incurred by XHGK.
- (5) Based on the information available, Company E was not a connected person to the Company at the material time.

Whether the transactions were properly approved

Based on the Investigation, the Directors who had knowledge of the aforementioned transactions at or around the time when they were entered into included Mr. Huang and Mr. Ni. Nonetheless, these transactions do not appear to be properly approved by the Board.

D. The Group's transaction with CSVG

On 11 May 2022, the Company entered into a tenancy agreement with CSVG, under which the Company agreed to rent and CSVG agreed to sublet Room 1801 – 1802, 18/F, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong (“**Office**”) to the Company for a term of 33 months from 11 May 2022 to 28 February 2025 at a monthly rent of HK\$100,000 (the “**Tenancy Agreement**”).

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

Date	11 May 2022
Party A	CSVG
Party B	The Company
Rental Unit	Room 1801 – 1802, 18/F, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong
Term	33 months from 11 May 2022 to 28 February 2025
Rent	HK\$100,000 per month
Deposit	HK\$200,000

Circumstances surrounding the above transaction

On 1 March 2022, CSVG entered into a tenancy agreement with the Landlord, the registered owner of the Office (“**Main Tenancy Agreement**”). Pursuant to the Main Tenancy Agreement, the Office was rented by the Landlord to CSVG for a term of 3 years from 1 March 2022 to 28 February 2025 at a monthly rent of HK\$236,000 per month. It was also stipulated in the Main Tenancy Agreement that CSVG may share the office with its “affiliated companies” provided that prior written notice is given to the Landlord.

According to the Investigation, at the material time, the Landlord was aware of the subletting by CSVG to the Company, and had orally agreed to this arrangement.

The Investigation revealed that the Company entered into the Tenancy Agreement with a view to boosting its status and corporate image in the finance industry. Given that the Company was still in the early stage of developing its finance business, to save costs, the Company shared the use of the Office with China New Economy Fund Limited (中國新經濟投資有限公司), the shares of which are listed on the Main Board of the Stock Exchange (stock code no. 80) and Goldstone Capital Group Limited (金石資本集團有限公司), the shares of which are listed on the Main Board of the Stock Exchange (stock code no.1160).

The Tenancy Agreement was signed by Ms. An on behalf of CSVG at Mr. Huang’s instruction, and by Mr. Ni on behalf of the Company by affixing the Company’s stamp. The Investigation noted that Mr. Huang was one of the two directors of CSVG, the other being Ms. An, who according to the Investigation was Mr. Huang’s assistant.

The Investigation also noted that, in relation to the renovation of the office, a renovation company (the “**Renovation Company**”) was engaged to renovate the Office. The cost of renovation was HK\$3,000,000, amongst which HK\$1,500,000 was paid by the Company. This payment was approved by Mr. Huang. Based on the Investigation the Renovation Company was an independent third party.

The Investigation Firm also noted that, due to changes in business needs, to save costs and expenses, a Termination Agreement was executed between the Company and CSVG on 31 July 2023 in respect of the Tenancy Agreement. Upon negotiation, CSVG agreed to reimburse the renovation fees borne by the Company in the amount of HK\$1,500,000. This sum was returned to the Company on 28 March 2024.

Observation of the Investigation Firm

The Investigation Firm has the following observations:

- (1) The rent payable under the Tenancy Agreement was on normal commercial terms based on the publicly available rental transaction records.
- (2) There is evidence that due diligence exercise in respect of the Tenancy Agreement was conducted.
- (3) China United International Group Limited was the sole shareholder of CSVG. Mr. Huang indirectly held 50% of the shareholding in China United International Group Limited. CSVG was a connected person of the Company.
- (4) The Company previously announced its change of principal place of business to the Office. The Company was able to use the Office to conduct business.

Whether the transactions were properly approved

Based on the Investigation, the Directors who had knowledge of the aforementioned transactions at or around the time when they were entered into included Mr. Huang, Mr. Ni, Mr. Wang and Mr. Su. Nonetheless, these transactions do not appear to be properly approved by the Board.

The Company’s non-compliance with the GEM Listing Rules

CSVG was a connected person of the Company at the time when the Tenancy Agreement was entered into and all applicable percentage ratios were below 5%, and by reason of the total rent payable exceeded HK\$3,000,000, the Tenancy Agreement was a partially-exempted connected transaction under the GEM Listing Rules. The Company has yet to comply with the applicable requirements.

E. The Group's transactions under three Deeds of Funding

On 14 June 2022, RAML entered into three deeds of funding with Company F, Company G and Company H (collectively, the “**Deeds of Funding**”) to provide funding to their liquidators to take recovery actions on certain sums owed to these companies. In return, the Company would be entitled to a certain percentage of the sum recovered after deducting the liquidator's fees and disbursement, payment for any adverse costs order and returning to RAML the funding it provided. Below is a summary of the Deeds of Funding:

- (1) The Deed of Funding entered into between Company F and RAML dated 14 June 2022 (the “**Company F DOF**”), under which RAML agreed to (1) provide funding to Company F for the legal proceedings commenced against certain entities and individuals in respect of a suspected unauthorized share allotment and transfer; and (2) provide a sum of HK\$1,135,298 to Company F as initial funding.
- (2) The Deed of Funding entered into between Company G and RAML dated 14 June 2022 (the “**Company G DOF**”), under which RAML agreed to (1) provide funding to Company G in relation to the intended legal proceedings to be commenced against three vendors of certain companies to recover from them HK\$98,000,000 which was paid by Company G to the relevant vendors as earnest monies for the acquisitions; (2) provide a sum of HK\$1,000,000 to Company G as initial funding.
- (3) The Deed of Funding entered into between Company H and RAML dated 14 June 2022 (the “**Company H DOF**”), under which RAML agreed to (1) provide funding to Company H in relation to the intended legal proceedings to be commenced against certain borrowers of Company H; and (2) provide a sum of HK\$1,000,000 to Company H as initial funding.

Circumstances surrounding the above transactions

On 25 March 2022, 100% of the shares in RAML was acquired by the Company. On 6 and 29 April 2022, the Company announced information about the acquisition of RAML. Based on the information announced by the Company, RAML was acquired for the purpose of, amongst other things, developing a business in distressed asset management. The acquisition of RAML was handled by Mr. Huang and Dr. Chen.

The Company F DOF made reference to unauthorized share allotments and share transfer of a subsidiary of Company F which indirectly operated a hotel in the PRC. According to the Investigation, Company F was a wholly owned subsidiary of Company G, the shares of which were formerly listed on the Main Board of the Stock Exchange. According to Company G's announcement dated 27 January 2021, Company G announced information about some unauthorized transfers in respect of one of its subsidiaries and a hotel in Guiyang, PRC.

The Investigation Firm has not been provided with documentary evidence about the underlying debts referred to in the Company G and H DOFs.

Based on the Investigation, the Deeds of Funding were signed by Mr. Huang. Mr. Huang met the liquidator of Company F, G and H (the “**Liquidator**”) when he served as a director of Company G. The Deeds of Funding were entered into by RAML as the Company was developing a distressed asset management business. The funding made under each of the Deeds of Funding was determined based on the market conditions after taking into account the costs of recovery of the relevant indebtedness.

The Deeds of Funding were ratified by a written resolution of the directors of the Company dated 21 June 2022 signed by Mr. Wang, Dr. Chen, Mr. Ni and Mr. Su.

On 24 June 2022, a sum of HK\$3,135,298.00 was transferred by the Company to the Liquidator’s firm. The relevant payment application was approved by Mr. Su and Mr. Wang. This sum of HK\$3,135,298.00 represented the total amount of initial funding payable by RAML under the Deeds of Funding. Mr. Huang was one of the authorized signatories to the Company’s bank account from which the fund was paid to the liquidator. The Investigation has not revealed that RAML or the Company received any payout from the Deeds of Funding.

After the Deeds of Funding were entered into, the Company and an individual entered into an agreement for the sale and purchase of the entire issued share capital of RAML for a consideration of HK\$1 dated 24 March 2023. This agreement was signed by Mr. Ni on behalf of the Company, and the transfer was approved by Mr. Huang in his capacity as the sole director of RAML. Based on the Investigation, RAML was disposed of at a nominal consideration because by that time RAML had not begun any real business operation and it had amount due to the Company because the initial funding for the Deeds of Funding was provided by the Company, and the disposal of RAML could save operational cost for the Company. The disposal was handled by Dr. Chen and Mr. Ni.

At the time of the disposal, because the payment under the Deeds of Funding was made from the Company’s account (and not RAML), RAML at the time had the relevant sums due to the Company, and Mr. Huang orally undertook that he would procure RAML to return the funds to the Company. This sum was returned to the Company on 28 March 2024.

Observation of the Investigation Firm

The Investigation Firm has the following observations:

- (1) There is evidence to show that RAML was acquired by the Company for the purpose of developing a distressed asset management business.
- (2) Mr. Huang was an executive director and the chairman of Company G between 20 March 2020 and 31 December 2020, and acted as its non-executive director until 2 December 2021. Mr. Ni was also an executive director of Company G between 31 March 2020 and 4 December 2021.

- (3) Based on the Investigation there appears to be no relationship between the Liquidator and Mr. Huang, Dr. Chen or Mr. Ni (save that the Liquidator was appointed as a liquidator of Company G which was described above). The Liquidator was not a connected person of the Company at the material time.
- (4) There is some evidence of the indebtedness referred to in the Company F DOF.
- (5) There is some evidence of approval of the Deeds of Funding as they were ratified by some of the Directors.
- (6) The due diligence carried out in respect of the Deeds of Funding appeared to be the meetings and discussions between Mr. Huang and Dr. Chen and the Liquidator. The Investigation Firm has not been able to obtain any documentary evidence in this respect. The Investigation Firm has also not been provided with evidence of RAML's assessment of the reasonableness of the amount of funding to be provided under the Deeds of Funding.
- (7) Mr. Huang's oral undertaking was not recorded in writing.
- (8) The individual who acquired RAML from the Company was not a connected person of the Company at the material time.

Whether the transactions were properly approved

Based on the Investigation, the Directors who had knowledge of the aforementioned transactions at or around the time when they were entered into included Mr. Huang, Mr. Ni, Dr. Chen, Mr. Su and Mr. Wang. Nonetheless, these transactions do not appear to be properly approved by the Board.

Whether the acquisitions of SVCL, SICL, SVIHK and QDDC were supported by purchase price allocation report(s) and were properly approved by the Board

Acquisitions of SVCL, SICL, SVIHK and QDDC

- (1) On 4 March 2022, the Company acquired the entire share capital of SVCL from GEM Capital Management Limited on the same date at a nominal consideration. On the same date, the Company also acquired 70% of the issued share capital of SICL from GEM Capital Management Limited on the same date at a nominal consideration. These acquisitions were announced by the Company on the same date.
- (2) On 25 May 2022, SVCL and Gransing Financial Group Limited entered into a sale and purchase agreement, under which SVCL agreed to purchase and Gransing Financial Group Limited agreed to sell the entire share capital of SVIHK at a consideration of HK\$3,764,000. At the time, SVIHK held 51% equity interest in QDDC. The consideration was payable by a promissory note issued by SVCL.

Circumstances surrounding the above transactions

Based on the Investigation, the reason for its intention to acquire the entire share capital of SVIHK was to gain access to QDDC, 49% of the shareholding in QDDC was owned by Qingdao SDIC Financial Holding Co. Ltd (青島國投投資控股有限公司). Qingdao SDIC Financial Holding Co. Ltd was a wholly-owned subsidiary of Qingdao International Investment Co., Ltd (“**QD International**”).

Based on the announcement of the Company, the Company intended to rely on the brand image of QD International and take advantage of its ability in raising capital and diverse project channels to establish further funds and register for the qualified domestic limited partnership in the PRC, so that it can explore business opportunities in (i) non-performing loans and (ii) mergers and acquisitions in listed companies by adopting the PIPE and PE models.

Whether the said acquisitions were supported by Purchase Price Allocation Report(s)

The Investigation revealed that no purchase price allocation reports were prepared to support the acquisitions of SVCL and SICL because SVCL and SICL were acquired by the Company at nominal value.

In respect of the acquisition of SVIHK and QDDC, a Purchase Price Allocation Report dated 30 June 2023 was commissioned in support of the acquisition of SVIHK and QDDC. In this report, the fair values of the identifiable tangible assets and undefined intangible assets of SVIHK and QDDC as at the appraisal date, i.e. 25 May 2022, amounted to HK\$3,764,000.

Whether the transactions were properly approved

The Investigation Firm note that a meeting of the Board was convened to discuss, amongst others, the Company’s acquisition of SVCL and SICL.

Based on the Investigation, the Director who had knowledge of the acquisition of SVIHK and QDDC at or around the time when they were entered into included Mr. Huang. Nonetheless, they do not appear to be properly approved by the Board.

The delay in the provision of the fraud risk questionnaires and going concern forecast to the Auditor in respect of its audit of the Group’s consolidated financial statements for the year ended 31 December 2022

Fraud risk questionnaires

On 3 January 2023, the Auditor requested four independent non-executive Directors to complete and return a fraud risk questionnaire. Two of the four aforementioned independent non-executive Directors submitted their questionnaires on 16 and 20 March 2023.

The Investigation revealed that the reason for the delay in the submission of the questionnaires by the two independent non-executive Directors was that both of them were concerned about the Audit Issues raised by the Auditor, and they took the view that the result of an investigation into the issues would be highly relevant to their answers to the questions raised in the questionnaire. Following the completion of the Investigation, the internal control review and the Company's adoption of the recommendations of the internal control reviewer, both of two independent non-executive Directors have already submitted their signed questionnaires to the Auditor.

Going concern forecast

In around March 2023, the Auditor requested the Company to submit its going concern forecast for its audit of the Group's consolidated financial statement of the year ended 31 December 2022.

Based on the Investigation, the Company was unable to submit this forecast to the Auditor because they required more time to prepare this forecast. On 21 March 2024, this going concern forecast was submitted to the Auditor by the Company.

VIEWS OF THE REVIEW COMMITTEE, THE AUDIT COMMITTEE AND THE BOARD

The Review Committee has considered the procedures carried by the Investigation Firm and the limitations encountered by the Investigation Firm in its Investigations. After considering the Investigation report, the Review Committee takes the view that the scope of the Investigation is adequate and has adequately addressed the Audit Issues. The Review Committee agrees with the findings of the Investigation and has recommended the Board to adopt the findings set out in the Investigation report.

Having considered the findings of the Investigation report, the Review Committee noted that there were deficiencies in the Group's corporate governance and internal control system in the following aspects:

- a. Mechanism in monitoring GEM Listing Rule Compliance
- b. Mechanism in managing Declaration of Interest
- c. Board Approval Procedures
- d. Mechanism in maintaining Documentation, Records & Files
- e. Due Diligence

The Review Committee took the view that rectification measures to enhance the Group's corporate governance and internal control system were urgently required, and taking every necessary step to implement such measures should be the highest priority of the Group.

The Audit Committee of the Company and the Board have reviewed the contents of the Investigation report and agrees with the view of the Review Committee and adopted the findings set out in the Investigation report. The Audit Committee and the Board also concurred with the Review Committee's observations that there were deficiencies in the Group's corporate governance and internal control system, and concurred that implementation of rectification measures is the highest priority of the Group. On the basis that the relevant fund outflows under the 1st CGEM Loan Agreement, the Company A Cancellation Agreement and the Deeds of Funding have been returned to the Group, and the remedial actions taken, the Board takes the view that the potential impact on the Company's business operation and financial position is minimal.

KEY FINDINGS OF THE INTERNAL CONTROL REVIEW

In August 2023, the Board appointed Cheng & Cheng Risk Advisory Service Limited (“**Internal Control Review Firm**”) as the Internal Control Consultant. As at the date of this announcement, the Internal Control Consultant has completed the Internal Control Review and the follow-up review on the remedial measures adopted by the Company.

A. SCOPE OF THE INTERNAL CONTROL REVIEW

The Internal Control Review covered all of the Audit Issues and Transactions, with a review period from February 2022 to March 2024. It involved 2 phases:

- (i) Phase 1 – Internal Control Review:
 - a. Interview with relevant persons, and obtain and review documents on the internal control system;
 - b. Conduct drills on the internal control system;
 - c. Perform compliance testing to check against internal control systems;
 - d. Analyze the weaknesses of the internal control system and propose first-round rectification recommendations

After the completion of Phase 1 in around January 2024, the Internal Control Review Report was prepared and submitted to the Company’s senior management and key staff. Upon their recognition of the relevant deficiencies and findings, rectification recommendations were subsequently provided.

- (ii) Phase 2 – Follow-up Review

After the recommendations being implemented, Phase 2 was conducted within 2 months after the completion of Phase 1 to review the Company’s internal control operations after implementation of the rectification. A Phase-2 Report was compiled in March 2024.

B. SUMMARY OF THE KEY FINDINGS

In the Internal Control Review Report, there were some weaknesses and deficiencies identified.

The Internal Control Review Firm, through its Review Report, expressed its views that:–

Deficiencies	Major Comment
GEM Listing Rule Compliance Issues	<ul style="list-style-type: none">• The Company’s breach of GEM Listing Rules was caused by certain Directors’ failure to declare their interests and seek formal Board authorization on the relevant transactions.• The occurrence of the above compliance issues indicated that there were deficiencies in the Company’s compliance and internal control systems.
Declaration of Interest	<ul style="list-style-type: none">• Certain Directors failed to declare most of their declarable interests in the relevant transactions.• Reliance on the self-declaration by individual Directors in respect of each transaction appears to be ineffective to avoid potential or actual conflicts of interest.
Board Approval	<ul style="list-style-type: none">• In February 2022, the Board and/or its subordinate committees granted ‘prior working instructions’ to allow the relevant directors to handle the Transactions. However, they still needed to seek the Board’s formal approval on Transactions.• Perhaps upon their wrong concepts, they misunderstood that ‘prior working instructions’ could replace formal board approval. In fact, most of Transactions were not supported by official Board’s approval.

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| Documentation,
Records & Files | <ul style="list-style-type: none"> • Throughout the Transactions, improvements were required in the below areas: (i) proper document retention, (ii) data accuracy, (iii) reflection of the actual transaction status. |
| Due Diligence | <ul style="list-style-type: none"> • The due diligence exercised carried out by the relevant Directors in respect of the relevant Transactions were not properly documented. • Proper documentation of due diligence exercises carried out is necessary to protect the Company's interest. |

C. SUMMARY OF RECTIFICATION RECOMMENDATIONS

C1. Role of Board, Sub-Committees and Directors

- (a) The terms of reference of the EC and the SDC be revised as below:–

Executive Committee	<p>Review and approve the administrative operations of the Company and its subsidiaries:</p> <ul style="list-style-type: none"> • Sales and purchasing transactions, commercial transactions • List of suppliers/contractors used within the Group • Transactions/fund transfers between subsidiaries within the Group
Strategy and Development Committee	<p>Review and approve the mid to long-term development of the Company and its subsidiaries:</p> <ul style="list-style-type: none"> • Transaction with substantial consideration/amount • Acquisition/sale of assets with investment purpose • Transactions with significant mid-to-long-term developmental impact

- (b) The above supervisory framework be explained and elaborated to the Directors to enhance their corporate governance awareness.
- (c) Enhance training and education to the Directors.

C2. Board and/or Sub-Committees Reporting and Approval Framework

- (a) Based on the new Terms of Reference set out in section C1 above, implement a new reporting and approval framework, and a new policy regarding transaction handling and approval, which is summarized as follows:

Board	<ul style="list-style-type: none">• The EC Chairman and SDC Chairman shall report to the Board about their works on a regular basis.
EC	<ul style="list-style-type: none">• Transactions of a value less than HK\$3,000,000 shall be delegated to the Finance Department, with approval and signature authority being set out.• Transactions exceeding HK\$3,000,000 but less than HK\$10,000,000 must be reviewed and approved by the EC and signed by a designated Director/senior staff.• Where any relevant percentage ratio of a transaction of capital nature exceeds 5%, the approval duties, responsibilities and authorities shall be remitted to the Board.• Deal with transactions in operational and general commercial nature only. Transactions with strategical and/or investment nature should be referred to SDC.• If any transaction concerns disclosure obligations and compliance matters under the GEM Listing Rules, the approval duties, responsibilities and authorities shall be remitted to the Board.
SDC	<ul style="list-style-type: none">• Transactions exceeding HK\$10,000,000 or involving investment and/or strategic nature must be reviewed and approved by the SDC and signed by a designated Director/senior staff.• If any transaction concerns disclosure obligations and compliance matters under the GEM Listing Rules, the approval duties, responsibilities and authorities are remitted to the Board.• Where any relevant percentage ratio of a transaction of capital nature exceeds 5%, the approval duties, responsibilities and authorities shall be remitted to the Board.

- (b) Set out a new policy and procedure including but not limited to payment, sales and procurement, contract signing, etc.
- (c) Adopt the principle of “authorization first, transaction later”, and restrict all ratification/post-approval of transaction.
- (d) Set out of signature authority, i.e. the higher the transaction amount, the higher the designated rank.

- (e) Establish an appropriate review mechanism for intra-group capital flows. Financial staff should submit the accounting invoices with supporting documents for review of accuracy, that should be incorporated into the new policy and procedure.

C3. Compliance review

- (a) Establish a new dedicated department to handle and coordinate the Board affairs (including supervisory and reporting), compliance (including but not limited to listing rules), legal and company secretarial affairs (the “**dedicated department**”). The dedicated department, including the Company Secretary and/or other legal and compliance personnels, can be assembled through engaging external professional services or internal employment. If external professional services are engaged, it should meet with the requirements under Section C.6 of Appendix to GEM Listing Rules.
- (b) When the EC and/or SDC shall handle transaction approval, the dedicated department shall review whether the transaction complies with the GEM Listing Rules and/or the requirements of other laws/rules to ensure that the transactions conducted by listed companies are compliant.
- (c) If a transaction (especially an acquisition or sale of assets transaction) requires an announcement under the GEM Listing Rules or even shareholder approval, it shall report to the Board.
- (d) Collect and prepare a list of connected interests of the Directors and circulate it to the Finance Department.
- (e) Enhance training and education for Directors/subsidiary directors/senior executives who handle substantial transactions.

C4. Due Diligence

- (a) When the dedicated department participates in review and approval of transactions in section C3(a) above, it shall also review whether appropriate and sufficient due diligence, investment valuation, and legal analysis have been conducted.
- (b) Compile a “due diligence checklist” for staff and seek quotations from more than one supplier/vendor for comparison and reference.

C5. Documentation, Records & Files

- (a) For the proper retention of documents and records throughout the Group's business footprints across Mainland China, Hong Kong, Taiwan, the United States and Japan, it needs an intranet, server and firewall to centralize the retention of documents and records;
- (b) Establish a document record system applicable to the Group, so as to effectively archive documents;
- (c) Develop policy and procedure to clearly specify the scope, procedures, archiving requirements and record retention period of records management;
- (d) Record transaction invoices within the specified time;
- (e) Enhance training and education for staff from time to time.

C6. Declaration of Interest

- (a) Develop a "Declaration of Interests Policy" and set out the consequences for violation;
- (b) Declaration of interests is based on ranks and operational needs:

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| Director/Director of subsidiaries/
Senior executives | <ul style="list-style-type: none">• The Directors/Director of subsidiaries/Senior executives shall declare their interests to the Board once a year and for internal record and annual reports. It shall provide relevant persons with designated forms to declare interests, which shall be signed and confirmed, and returned to the dedicated department for record.
• If there is any update to the declaration previously provided, the relevant persons must inform the Board in the designated form as soon as possible. All such forms shall be signed and confirm and returned to the dedicated department for record. |
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| Middle management/Staff involved in the transaction | <ul style="list-style-type: none"> • All other management/staff who are involved in the relevant transaction shall declare their interests to the Company. It shall provide the relevant persons with designated forms to declare their interests. Such form shall be signed and confirmed, and returned to the dedicated department for filing. • If there is an update to the declaration previously provided, the relevant person must inform the Board in the designated form as soon as possible. All such forms shall be signed and confirmed, and returned it to the dedicated department for filing. |
| All staff | <ul style="list-style-type: none"> • All staffs and new staff are circulated with “Declaration of Interests Policy” and required to sign for their acknowledgement. |
- (c) Set out Whistleblower Policy in “Declaration of Interests Policy”, under which the staff should report to the relevant reporting channels if a conflict of interest is observed;
- (d) Enhance training and education for staff from time to time.

C7. Internal Communication

- (a) As the focal point of communication of a company, the dedicated department can play the role of enhancing internal communication within the Group. In case of inquiries from regulatory agencies and auditors, the dedicated department shall be responsible for contacting and coordinating colleagues from various departments within the Group and shall report progress to the Board and/or subordinate committees in a timely manner.
- (b) As in C1(a) of this announcement, the SDC is responsible for reviewing and supervising the business development of subsidiaries/business segments. Directors, responsible persons, and senior executives of subsidiaries/business segments shall participate in the SDC Meetings on a quarterly basis. In addition to reporting business performance from bottom to the Board, it is convenient for the Board to give any working instructions from top to bottom. In addition, a good internal communication mechanism can enable better cooperation between various subsidiaries/business segments and strengthen integration.

D. ASSESSMENT ON IMPLEMENTATION OF THE RECTIFICATION

After a review and discussion with the senior management of the Company, the Internal Review Consultant, through its Review Report – Phase 2, takes the view that the Company has adopted all of the rectification recommendations, and has taken all necessary steps to implement the measures, as follows:

- (a) The Board agrees with the new reporting and approval framework throughout the Board, the EC and the SDC, with the respective Terms of Reference being approved by the Board on 28 March 2024.
- (b) The Board agrees with all of the recommended measures, and has instructed the senior management to implement all of them, with the respective working progress specified as below:
 - The Office of the Board, Legal & Compliance was established.
 - A new Scope of Duty for the Office of the Board, Legal & Compliance Department has been prepared in light of the additional duties and responsibilities assigned under the new framework, with an emphasis on compliance and due diligence review.
 - A new policy governing transaction handling and approval has been prepared, while the respective working guidelines and procedures on operational level is still in progress and shall be finalized shortly.
 - A new Declaration of Interest Policy has been prepared.
 - A new documentation and records retention policy and guidelines on operational level is still in progress and shall be finalized shortly.
 - There will be new intranet, server, and firewall for centralized retention of documents and records.
 - There will be new training programmes to enhance the required skills and awareness of Directors, senior executives and all staff.

Thus, the Company has already kicked-off implementation of all of them, while pending the new Company Secretary to materialize them. For the vacancy of Company Secretary, the Board has shortlisted some suitable candidates and shall finalized the appointment as soon as possible. The Company believes that, upon the ground works conducted in the previous 2 months, the new Company Secretary can materialize all the measurements shortly.

E. VIEWS OF THE REVIEW COMMITTEE, THE AUDIT COMMITTEE AND THE BOARD

Having reviewed the results of the Internal Control Review, the Internal Control Consultant has not identified any material internal control weakness after the Phase 2 review. The Internal Control Consultant is of the view that, nothing has come to their attention that would reasonably cause them to doubt that the Group has not put in place adequate internal controls and procedures to meet its obligations under the GEM Listing Rules according to the samples and documents received from the relevant entities of the Group pursuant to the scope of the Internal Control Review.

The management of the Company acknowledged and agreed with the review results. The Company has taken all of the advices and rectification recommendations from the Internal Control Consultant, and adopted, revised and/or enhanced, as the case maybe, the relevant policies and procedures of the Group. The Internal Control Consultant had performed a follow-up review after the Group has taken the relevant remedial actions.

Having considered the Internal Control Review Report and the remedial actions taken by the Company, the Review Committee is of the view, which the Audit Committee and the Board concurred, that (a) all the internal control deficiencies identified in the Internal Control Review have been fully remedied; (b) the remedial actions and enhancement measures implemented by the Group are adequate and sufficient; and (c) the Company has in place adequate and reliable corporate governance, internal control and financial reporting systems and procedures to fulfill its obligations under the GEM Listing Rules.

The Company will continue to monitor the effectiveness of the Group's corporate governance and internal control systems and procedures so as to meet its obligations under the GEM Listing Rules and ensure reasonable and adequate corporate governance and internal control policies and procedures are in place.

CONTINUED SUSPENSION OF TRADING

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.

DEFINITIONS

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

“1st CGEM Loan Agreement”	The loan agreement (借款協議) entered into between PT Design and CGEM in or around 25 March 2022 in relation to the loan amount of RMB10.5 million
“2nd CGEM Loan Agreement”	The Loan Agreement (借款協議) entered into between PT Design and CGEM in or around 25 March 2022 in relation to the loan amount of RMB2 million
“Audit Issues”	The issues identified by the Auditors
“Auditor”	Prism Hong Kong and Shanghai Limited
“Beiwen Times”	北文時代(北京)文化有限公司 (Beiwen Times (Beijing) Culture Limited), a company established in the PRC with limited liability on 4 January 2013
“CGEM”	新華國通(北京)企業管理有限公司 (CITIC Guotong Enterprise Management Co., Ltd) (formerly known as 中信國通企業管理有限公司), a company established in the PRC with limited liability
“Cloud Service Agreement”	An agreement for the sale and purchase of cloud services and products (雲服務產品銷售合同) entered into between Company B and Glory Mark on 9 September 2022
“Company A Cancellation Agreement”	The Contract Cancellation and Refund Agreement (合約解除及退款協議) entered into between Company A and PT Design dated 10 January 2024
“Company A Loan Agreement”	The loan agreement (借款協議) entered into between PT Design and Company A dated 8 June 2022
“Company C Loan Agreement”	The loan agreement (借款合同) entered into between PT Technology with Company C and Company D dated 23 June 2022
“Company F DOF”	The Deed of Funding entered into between Company F and RAML on 14 June 2022
“Company G DOF”	The Deed of Funding entered into between Company G and RAML on 14 June 2022

“Company H DOF”	The Deed of Funding entered into between Company H and RAML on 14 June 2022
“CSVG”	China State Ventures Group Limited (中國新華企業集團有限公司), a company incorporated in Hong Kong with limited liability on 13 September 2021
“Debt Assignment Agreement”	The Debt Assignment Agreement (債券轉讓協議) entered into between CGEM and Company A on 20 June 2022
“Debt Investment Agreement”	The Debt Investment Agreement (債權投資協議) entered into between PT Technology, Company C and Company D on 30 March 2023
“Deeds of Funding”	Collectively, the Company F DOF, Company G DOF and Company H DOF
“Design Service Agreement”	The Design Service Agreement (設計及技術服務合同) entered into between Company A and PT Design on 3 March 2022
“Dr. Chen”	Dr. Chen Xiaofeng (陳曉鋒博士), former executive Director
“EC”	Executive Committee of the Company
“Exclusive Strategic Cooperation Agreement”	The Exclusive Strategic Cooperation Agreement (獨家戰略合作協議) entered into between PT Design and Beiwen Times announced by the Company on 4 March 2022
“Glory Mark”	Glory Mark Electronic Limited (輝煌電子有限公司), a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Group”	Collectively, the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region
“Investigation”	The independent investigation conducted by the Messrs. Stevenson, Wong & Co. referred to in this announcement
“Investigation Firm”	Messrs. Stevenson, Wong & Co.
“Landlord”	the registered owner of the Office
“Liquidator”	The liquidator of Company F, G and H

“Main Tenancy Agreement”	The tenancy agreement entered into between the Landlord and CSVG on 1 March 2022 in relation to the Office
“Mr. Huang”	Mr. Huang Bin (黃斌先生), former non-executive Director and Co-Chairman of the Board
“Mr. Liu”	Mr. Liu Xinsheng (劉新生先生), the legal representative, manager and executive director of PT Technology
“Mr. Ni”	Mr. Ni Xuan (倪弦先生), executive Director
“Mr. Su”	Mr. Su Guang (蘇光先生), former executive Director
“Mr. Wan”	Mr. Wan Ziqian (萬子千先生), the legal representative of Beiwen Times
“Mr. Wang”	Mr. Wang Lifeng (王濤峰先生), executive Director and Chairman of the Board
“Office”	Room 1801 – 1802, 18/F, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong
“Personal Guarantee”	The Personal Guarantee (自然人保證合同) entered into between PT Design, the legal representative of Company A and Mr. Wan on 9 January 2024
“PT Design”	PT Design (QH) Limited (前海柏濤設計(深圳)有限公司), a company established in the PRC with limited liability on 5 January 2017 and a wholly owned subsidiary of the Company
“PT Technology”	柏濤元科技發展(深圳)有限公司, a company established in the PRC with limited liability and a wholly owned subsidiary of the Company
“QD International”	Qingdao International Investment Co., Limited (青島國際投資有限公司), a company established in the PRC with limited liability
“QDDC”	青島國投鼎成資產管理有限公司, an asset management company established in the PRC principally engaged in provision of financial advisory services and corporate finance services to entities in Qingdao, the PRC
“RAMIL”	Radiant Assets Management International Limited (瑞金國際資產管理有限公司), a company incorporated in Hong Kong with limited liability

“RAML”	Radiant Assets Management Limited (瑞金資產管理有限公司), a company incorporated in Hong Kong with limited liability
“Review Committee”	Review Committee of the Company
“RGHL”	Radiant Goldstone Holdings Limited (currently known as Sunwah Tongfang Limited (新華同方有限公司)), a limited company incorporated in Hong Kong on 11 May 2009
“SDC”	Strategy and Development Committee of the Company
“SICL”	State Innovation Capital Limited (新華國科資本有限公司), a company incorporated in Hong Kong with limited liability
“SVCL”	State Venture Capital Limited (新華國投資本有限公司), a company incorporated in Hong Kong with limited liability
“SVIHK”	State Venture Investment (Hong Kong) Holding Limited (國投(香港)控股有限公司), now known as Silkroad Renaissance Group Limited, a company incorporated in Hong Kong with limited liability
“Tenancy Agreement”	The Tenancy Agreement entered into between the Company and CSVG on 11 May 2022 in relation to the Office
“Termination Agreement”	The termination agreement entered into between the Company and CSVG on 31 July 2023 in respect of the Tenancy Agreement
“XH GK”	State Innovation (Zhuhai) Investment Co., Limited (新華國科(珠海)投資有限公司) (now known as 新華灣區(珠海)投資有限公司), a company incorporated in the PRC with limited liability
“XH GK Loan Agreement”	The loan agreement entered into between Company E and XH GK on or around 18 August 2022

By order of the Board

CHINA UNITED VENTURE INVESTMENT LIMITED

Wang Li Feng

Chairman and Executive Director

Hong Kong, 2 April 2024

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

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 on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the Company’s website at <https://www.glorymark.com.tw/>.