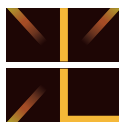


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中电光谷

CEC OPTICS VALLEY

China Electronics Optics Valley Union Holding Company Limited

中電光谷聯合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 798)

TERMINATION OF CONNECTED TRANSACTION IN RELATION TO SALE OF INDUSTRIAL BUILDINGS

Reference is made to the announcement of China Electronics Optics Valley Union Holding Company Limited (the “**Company**”) dated 18 October 2019 in relation to the sale of certain industrial buildings by Western Zhigu, a subsidiary of the Company (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

As disclosed in the Announcement, Western Zhigu and Cailian Metal entered into the Xianyang Sale and Purchase Agreement, pursuant to which Cailian Metal agreed to purchase, and Western Zhigu agreed to sell, the Industrial Buildings according to the design plans agreed between the parties.

TERMINATION AGREEMENT

The Board wishes to inform the shareholders of the Company that on 26 November 2020, Western Zhigu and Cailian Metal entered into a termination agreement (the “**Termination Agreement**”) to terminate the Xianyang Sale and Purchase Agreement.

Pursuant to the Termination Agreement, the Xianyang Sale and Purchase Agreement is terminated with effect from the date hereof. Western Zhigu is entitled to sell or dispose of the Industrial Buildings to any third party(ies), and Cailian Metal will no longer be entitled to make any claim under the Xianyang Sale and Purchase Agreement. It was also agreed that Cailian Metal shall be responsible for all the costs incurred in the relevant sale and refund procedures pursuant to the Termination Agreement.

REFUND OF DEPOSIT

Pursuant to the Xianyang Sale and Purchase Agreement, Cailian Metal has paid a deposit of RMB3,975,424 (equivalent to approximately HK\$4,684,640) (the “**Deposit**”) to Western Zhigu. Upon the execution of the Termination Agreement, Western Zhigu and Cailian Metal shall proceed with the relevant refund procedures and Western Zhigu shall refund the Deposit to Cailian Metal.

REASONS FOR THE TERMINATION AGREEMENT

Due to changes to the operational needs of Cailian Metal, Cailian Metal has decided to choose another site in a different location, and as such Western Zhigu and Cailian Metal have agreed to enter into the Termination Agreement.

Western Zhigu has already identified new purchasers (who are not connected persons of the Company) to purchase the Industrial Buildings, at a price higher than the consideration under the Xianyang Sale and Purchase Agreement.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Termination Agreement are fair and reasonable, entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole, and have no material adverse impact on the financial and operational position of the Group.

By Order of the Board
China Electronics Optics Valley Union Holding Company Limited
Liu Guilin
Chairman

Wuhan, Hubei, the People’s Republic of China
26 November 2020

As at the date of this announcement, the directors of the Company are Mr. Liu Guilin, Mr. Xiang Qunxiong, Mr. Zhang Jie and Ms. Sun Ying as non-executive directors; Mr. Qi Min, Mr. Qiu Hongsheng and Ms. Chan Ching Har Eliza as independent non-executive directors; Mr. Huang Liping and Mr. Hu Bin as executive directors.