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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)

ANNOUNCEMENT DISCLOSEABLE TRANSACTION LEASE OF PROPERTIES AND CAPITALISATION OF ASSET

PROPERTY LEASE

The Board are pleased to announce that on 15 June 2023, Dongguan Glory Mark and Asia Link Technology Company Limited, a wholly owned subsidiary of the Company, entered into a Lease with the Dongguan Zhengyang Electronic Mechanical Company Limited (as lessor) to lease the Properties for industrial use for a term of four years commencing from 16 June 2023 to 15 June 2027.

Material terms of the Property Leasing Framework Agreement

Date

15 June 2023

Parties

- (a) Dongguan Glory Mark and Asia Link Technology Company Limited (GMA), as lessee; and
- (b) Dongguan Zhengyang Electronic Mechanical Company Limited (ZEM), as lessor

Properties

The Properties consist of (1) Floor 1 and Floor 2 of the factory Building 1 (“**Factory**”), and (2) 20 dormitories on the 8th floor of Building 5 (“**Dormitory**”) and ancillary facilities (total gross floor area is 12,818.4 sq.m. and the total area is 12208 sq.m.) located at Zhengyang Wisdom Industrial Park, No. 8, Shahu Second Road, Shahu Village, Tangxia Town, Dongguan City, Guangdong Province, the PRC.

Term

Four years commencing from 16 June 2023 to 15 June 2027.

Lease payment

The amount of RMB19,840.79 for the Dormitory and the amount of RMB210,308.87 for the Factory (inclusive of ancillary facilities usage fees but excluding property and facility management fees, water and electricity consumption and other expenses) (“**Total Rent**”) per month for the period from 16 July 2023 to 15 June 2026, and an increment of 5% on the Total Rent for the remaining term of the Lease.

Rent Free Period

16 June 2023 to 15 July 2023.

Security Deposit

RMB945,432 payable within five (5) working days after signing of the Lease Agreement.

Usage

Industrial/factory

REASONS FOR AND BENEFIT OF ENTERING INTO THE LEASE AGREEMENT

GMA plans to expand its business in the arena of electronic manufacturing and new energy equipment. To this effect, GMA will be installing surface mount technology and assembly functions and facilities to support increased manufacturing output and minimizing manufacturing costs. The use of the new facilities at the Properties will be suitable for this expansion. The Properties are also commensurate with the regulations for obtaining evaluation success and institutional approvals for the establishment.

The manufacturing equipment and environmental conditions in the factory premises currently used by GMA (as the workshop situated at 177 Hong Ye North Road, Tangxia Town, Dongguan, Mainland China, details of which are more particularly set out in an announcement of the Company dated 2021 June 16), do not meet the requirements of the new business.

In this connection, the Company considers that the leasing of the relevant properties by GMA from ZEM will facilitate the expansion objectives and steady operations of the Group, thereby achieving overall commercial benefit and prospective future planning.

The Board considers that in entering the Lease by GMA, it is in the ordinary and usual course of business of the Group, is on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Company will recognise a right-of-use asset representing its right to use the leased asset of approximately RMB9.6 million (or approximately HK10.6 million). This will be regarded as an acquisition of asset under the definition of transaction set out in Main Board Rule 14.04(1)(a).

Under the relevant rule, the Company is required to compute the assets and consideration ratios. The numerator will be the value of the right-of-use asset recognised by the Company (which includes the present value of lease payments) according to HKFRS 16.

As the Lease is subject to an agreement with fixed terms, it is treated as a one-off connected transaction (i.e. an acquisition of capital assets).

As the relevant applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the value of the right-of-use asset as the total assets which are the subject of the transaction or consideration payable under the Lease are more than 5% but less than 25% in the assets ratio and consideration ratios respectively, the transaction is classified as a discloseable transaction under Rule 19.08 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements as set out in Rule 19.33 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, and unless already particularly defined above, the following expressions have the following meanings:

“Board”	the board of Directors;
“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 Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“GMA”	Dongguan Glory Mark and Asia Link Technology Company Limited, a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HKFRS”	Hong Kong Financial Reporting Standards;
“Lease”	the lease of the Properties under the Lease Agreement;
“Lease Agreement”	the lease agreement dated 16 May 2023 entered into between GMA as lessee and ZEM as lessor in respect of the Properties;
“GEM”	means the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the GEM;
“Independent Third Party(ies)”	means independent third party(ies) who is(are) not connected persons of the Company as defined in the GEM Listing Rules and is(are) independent of the Company and the connected persons of the Company;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Properties”	(1) Floor 1 and Floor 2 of the factory Building 1 (“ Factory ”), and (2) 20 dormitories on the 8th floor of Building 5 (“ Dormitory ”) and ancillary facilities located at Zhengyang Wisdom Industrial Park, No. 8, Shahu Second Road, Shahu Village, Tangxia Town, Dongguan City, Guangdong Province, the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the Share(s);

“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiaries”	has the meaning ascribed thereto in the Listing Rules;
“sq.m.”	square metre(s);
“ZEM”	Dongguan Zhengyang Electronic Mechanical Company Limited (as lessor); and
“%”	per cent.

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

Hong Kong, 15 June 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. Wu Lebin, 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 <https://www.glorymark.com.tw/hk/investor.htm>. In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.