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ZHEJIANG UNITED INVESTMENT HOLDINGS GROUP LIMITED

浙江聯合投資控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8366)

DISCLOSURE TRANSACTION FORMATION OF JOINT VENTURE

THE COOPERATION AGREEMENT

On 15 April 2019 (after trading hours), the Company and the JV Partner entered into the Cooperation Agreement, pursuant to which the parties thereto agreed to establish the JV Company for the purpose of engaging in, among other things, the construction of 5G network base stations and equipment plants; the research & development and design of 5G equipment. The total registered capital of the JV Company will be HK\$20 million, which will be contributed as to HK\$10.2 million by the Company and as to HK\$9.8 million by the JV Partner. The JV Company shall be held as to 51% by the Company and 49% by the JV Partner.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) calculated with reference to the capital contribution of the Company under the Cooperation Agreement exceed 5% but all of them are less than 25%, the formation of JV Company contemplated under the Cooperation Agreement constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

Reference is made to the voluntary announcement in respect of letter of intent regarding possible strategic cooperation between the Company and the JV Partner dated 4 April 2019.

The Board is pleased to announce that on 15 April 2019, the Company and the JV Partner entered into the Cooperation Agreement, pursuant to which the parties thereto agreed to establish the JV Company for the purpose of engaging in, among other things, the construction of 5G network base stations and equipment plants; the research & development and design of 5G equipment. Principal terms of the Cooperation Agreement are as follows:

THE COOPERATION AGREEMENT

- Date:** 15 April 2019
- Parties:** (i) the Company
(ii) the JV Partner
- Scope of business of the JV Company:** The scope of business of the JV Company shall be construction of 5G network base stations and equipment plants, research & development and design of 5G communication equipment (subject to the industrial and commercial registration); provision of technical services and promotion, consulting management services; mobile phone technology development; manufacturing, sales of mobile phone and provision of related services; develop, manufacturing and sales of transmission equipment, data communication equipment, power supplies, microelectronics products, terminal equipment and related communication and information products; research & development, production and sales of wireless data products (excluding restricted items); energy science and technology research and research & development, production and sales of energy-related products.
- Capital Contribution:** The registered capital of the JV Company shall be HK\$20 million, which shall be contributed by the parties in cash in the following proportion:
- (i) HK\$10.2 million, representing approximately 51% of the registered capital of the JV Company, to be contributed by the Company; and
 - (ii) HK\$9.8 million, representing approximately 49% of the registered capital of the JV Company, to be contributed by the JV Partner.

The parties shall pay up their respective amount of capital contribution in accordance with the following schedule:

- (i) HK\$3.06 million, HK\$3.06 million and HK\$4.08 million to be paid by the Company within 60 days, 120 days and 180 days respectively after the date of signing the Cooperation Agreement;
- (ii) HK\$2.94 million, HK\$2.94 million, and HK\$3.92 million, to be paid by the JV Partner within 60 days, 120 days and 180 days respectively after the date of signing the Cooperation Agreement;

The contributions are determined after arm's length negotiation of the parties with reference to the expected initial funding needs of the JV Company and capital contribution intentions of the parties.

Restriction on transfers:

Any transfer of all or part of a shareholder's equity interest in the JV Company shall be served by written notice in advance and subject to the approval of the board of the JV Company and the consent of the other shareholder. The non-selling shareholder of the JV Company shall have a pre-emptive right to acquire the equity interest proposed to be transferred.

Board composition and management:

The JV Company will have one director who shall be appointed by the Company and the supervisor of the JV Company shall be appointed through JV Company's shareholder election.

INFORMATION OF THE PARTIES

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong.

Hengji is a company incorporated in the PRC with limited liability. Hengji and/or its subsidiaries are group-based high technology enterprises in new energy and information industries. They are also a solar grid-connected photovoltaic power station, solar battery, solar module and solar application product providers as well as a handheld personal information processing equipment providers in the PRC. Hengji is also a mobile information terminal product and service provider in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE FORMATION OF JV COMPANY

The Company has been actively seeking new technologies and business opportunities related to 5G network technology. The Board is of the view that the Cooperation Agreement will bring long-term strategic values to Group and provide an opportunity for the Group to undertake the construction projects of relevant 5G network base stations and equipment plants in the PRC. The Company also participates in the development of products related to 5G network terminals by leveraging the technological advantages of partners in the field of solar energy and new energy to expand its source of income.

The JV Company will be a non-wholly-owned subsidiary of the Company after its formation and its financial results will be consolidated into the financial statements of the Company. The capital contribution of HK\$10.2 million shall be satisfied by internal resources of the Group.

The Board consider that the Cooperation Agreement is entered into on normal commercial terms and the terms of the Cooperation Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) calculated with reference to the capital contribution of the Company under the Cooperation Agreement exceed 5% but all of them are less than 25%, the formation of JV Company contemplated under the Cooperation Agreement constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“5G”	The fifth generation wireless communication technology
“Board”	the board of Directors
“Company”	Zhejiang United Investment Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM (stock code: 8366)
“connected person(s)”	as defined under the GEM Listing Rules
“Cooperation Agreement”	a cooperation agreement entered into between the Company and the JV Partner on 15 April 2019

“Directors”	the directors of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hengji” or “JV Partner”	Hengji Weiye Investment Development Group Co., Ltd.* (恒基偉業投資發展集團有限公司)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JV Company”	a joint venture company to be established under the laws of the PRC pursuant to the Cooperation Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *English translated names are for identification purposes only*

By order of the Board
Zhejiang United Investment Holdings Group Limited
Zhou Ying
Chairman

Hong Kong, 15 April 2019

As at the date of this announcement, the executive Directors are Mr. Zhou Ying and Ms. Meng Ying, the independent non-executive Directors are Mr. Zheng Xuchen, Mr. Wong Man Hin, Raymond and Mr. Tang Yiu Wing.

This announcement, for which the Directors of the Company 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcement” page for at least 7 days from the day of its posting and on the Company’s website <http://www.zjuv8366.com>.