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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)

VOLUNTARY ANNOUNCEMENT – ESTABLISHMENT OF JOINT VENTURE

This voluntary announcement is published by Zhejiang United Investment Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform the public of the Group’s latest business development.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 31 August 2020, Zhejiang Fulian Asset Management Company Limited* (浙江富連資產管理有限公司)(hereinafter referred to as “**Zhejiang Fulian**”), an indirectly wholly-owned subsidiary of the Company, entered into the Cooperation Agreement with all the Parties, including Beijing Hangdi Media Company Limited* (北京航迪傳媒有限公司) (hereinafter referred to as “**Beijing Hangdi**”) as one of the major Parties. Pursuant to the Cooperation Agreement, all the Parties agreed to establish a joint venture in the PRC under the provisional name Jianglian Meian Culture and Media (Zhejiang) Company Limited*(江聯美岸文化傳媒(浙江)有限公司) (hereinafter referred to as “**Jianglian Meian**”) with an initial registered capital of RMB10.0 million (equivalent to approximately HK\$11.31 million), which Zhejiang Fulian, Beijing Hangdi and the remaining Parties shall contribute approximately RMB5.1 million (equivalent to approximately HK\$5.77 million), approximately RMB3.0 million (equivalent to approximately HK\$3.39 million) and approximately RMB1.9 million (equivalent to approximately HK\$2.15 million) in cash respectively. The Joint Venture will primarily be engaged in domestic advertising design, production and agency, production, reproduction and distribution of featured films, columns, variety shows, animation, radio plays and TV series, as well as provision of conference services, exhibition event services, corporate planning, internet technology development, technology consultation and technical services.

* For identification purposes only

Date

31 August 2020

Major Parties

- (1) Zhejiang Fulian, an indirectly wholly-owned subsidiary of the Company established in the PRC with limited liability
- (2) Beijing Hangdi, a company established in the PRC with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Company and its respective ultimate beneficial owner(s) are Independent Third Party(ies) not connected with the Company and its connected person (as defined under the GEM Listing Rules).

BUSINESS SCOPE

The Joint Venture will primarily be engaged in domestic advertising design, production and agency, production, reproduction and distribution of featured films, columns, variety shows, animation, radio plays and TV series, as well as provision of conference services, exhibition event services, corporate planning, internet technology development, technology consultation and technical services.

REGISTERED CAPITAL AND CAPITAL CONTRIBUTIONS

Pursuant to the Cooperation Agreement, the Joint Venture shall have an initial registered capital of RMB10.0 million (equivalent to approximately HK\$11.31 million), which Zhejiang Fulian, Beijing Hangdi and the remaining Parties shall contribute approximately RMB5.1 million (equivalent to approximately HK\$5.77 million), approximately RMB3.0 million (equivalent to approximately HK\$3.39 million) and approximately RMB1.9 million (equivalent to approximately HK\$2.15 million) in cash respectively.

Zhejiang Fulian, Beijing Hangdi and the remaining Parties will hold 51.0%, 30.0% and 19.0% equity interests in the Joint Venture respectively.

The amount of capital contribution by Zhejiang Fulian was arrived at after arm's length negotiations between the Parties with reference to (1) the future capital requirements of the Joint Venture and (2) the percentage of equity interest held by Zhejiang Fulian in the Joint Venture.

MAJOR TERMS OF THE COOPERATION AGREEMENT

- The profit after taxation of the Joint Venture for each year shall be distributed to each of the shareholders in proportion to their prevailing contribution to the paid-up capital in the Joint Venture after making drawdown for the Joint Venture's reserve pursuant to the resolution on the general meeting.
- Vested with the highest authority of the Joint Venture, the general meeting shall comprise all shareholders who may exercise their voting rights in proportion to their capital contributions to the Joint Venture.
- The board of directors shall be the decision-making body of the Joint Venture.
- The laws of the PRC shall be applicable to the execution, validity, interpretation and performance of the Cooperation Agreement and the resolution of disputes thereunder.

INFORMATION ON THE MAJOR PARTIES TO THE COOPERATION AGREEMENT

Beijing Hangdi, the major partner of this cooperation, is a joint venture established by AirMedia Group Inc.* (航美傳媒集團有限公司) (hereinafter referred to as “**AirMedia**”) and Dynamic Winning Partners Media Group* (迪岸雙贏集團有限公司) (hereinafter referred to as “**Dynamic Winning Partners**”). The substantial shareholder of AirMedia is Beijing Cultural Investment And Development Group Co., Ltd.* (北京文化投資發展集團) (hereinafter referred to as “**Beijing Cultural**”) which is based in Beijing. With a market share of over 90% in the PRC's aviation digital media market and its hold on traditional media resources in domestic major airports, AirMedia is the largest aviation media operator in the PRC. As the exclusive provider of “digital + traditional” dual-media strategic solutions in the PRC's outdoor media industry, AirMedia has established an aviation media network covering major airports in Beijing, Shanghai, Guangzhou and across the country. Since its establishment, AirMedia has provided editing and production of TV programs and operated advertisement for over 2,000 air routes and over 20,000 displays in 52 airports and under Air China, China Eastern Airlines, China Southern Airlines, Shenzhen Airlines, Shanghai Airlines, Xiamen Air, United Eagle Airlines and other airlines. With wide brand recognition and credibility, AirMedia has now become the largest operator on ground and in flight in the PRC. In the past ten years, the achievements of AirMedia included (1) becoming the largest aviation media operator and second largest outdoor media operator in the PRC; (2) promoting the development of new interactive aviation media, wireless entertainment system and “LED matrix” system for Sinopec gas station; (3) becoming the top choice of media in airport with its LED aviation media network; (4) introducing digital frame upgrades and expanding its LED resources; and (5) integration of LED displays, digital frames and traditional media in airports and urban outdoor advertising businesses across the country. Dynamic Winning Partners is also the leading outdoor media group in the PRC, with its main business scope covering the operation of domestic airport media resources, urban outdoor advertising and media marketing across the country, digital media marketing and others. Since 2005, Dynamic Winning Partners Media Group has been extending its reach to airports nationwide, laying down a strong airport media network covering Beijing, Shanghai, Guangzhou, Wuhan, Chengdu, Chongqing, Xian and other cities.

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REASONS AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

The Group has been engaged in undertaking slope works, foundation works, other general building works and 5G communications.

In order to enhance and diversify the Group's business prospects and to generate more potential incomes with higher profitability, the Group will explore the business of advertising and related products through establishing the Joint Venture. Beijing Hangdi is engaged in advertising and related products, and AirMedia, the largest aviation media operator and second largest outdoor media operator in the PRC, possesses wide brand recognition and credibility, while Dynamic Winning Partners is also the leading outdoor media group in the PRC. The Group is optimistic about the outlook of the advertising industry and believes that advertising will become one of the Group's core businesses.

The Board are of the view that the establishment of the Joint Venture is in the interests of the Group and the Shareholders as a whole, and the terms of the Cooperation Agreement and the transactions contemplated thereunder are determined based on normal commercial terms and are fair and reasonable.

FINANCIAL IMPACT OF CAPITAL CONTRIBUTIONS

The capital contribution of the Company will be satisfied by the internal resources of the Company.

Upon the completion of the capital contributions, the Joint Venture will be accounted for as a non-wholly owned subsidiary of the Group. Capital contributions will be accounted for as equity transactions and will not result in any recognition of gain or loss in the profit and loss statement.

DEFINITIONS

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

“Board”	the board of Directors
“Capital Contributions”	capital contributions to the Joint Venture by the Parties pursuant to the Cooperation Agreement
“Company”	Zhejiang United Investment Holdings Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM of the Stock Exchange
“Connected Person(s)”	as defined under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 31 August 2020 entered into between Zhejiang Fulian Asset Management Company Limited* (浙江富連資產管理有限公司), Beijing Hangdi Media Company Limited* (北京航迪傳媒有限公司) and the remaining Parties in relation to the establishment of the Joint Venture
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) or company(ies) who are not connected person(s) (as defined under the GEM Listing Rules) of the Company
“Joint Venture”	Jianglian Meian Culture and Media (Zhejiang) Company Limited*(江聯美岸文化傳媒 (浙江) 有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange

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“Parties”	Zhejiang Fulian Asset Management Company Limited* (浙江富連資產管理有限公司), Beijing Hangdi Media Company Limited* (北京航迪傳媒有限公司) and the remaining parties
“Percentage Ratio(s)”	as defined under the GEM Listing Rules
“Shareholder(s)”	the holder(s) of the shares in the issued capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

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

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

Hong Kong, 31 August 2020

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. Wong Man Hin, Raymond, Mr. Tsui Chung Ho and Ms. Lai Pik Chi Peggy.

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 Company Announcements” page of the GEM’s website at <http://www.hkgem.com> for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at <http://www.zjuv8366.com>.

RMB is converted into HK\$ at the exchange rate of HK\$1.00 to RMB0.884.

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