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UNIVERSE INTERNATIONAL HOLDINGS LIMITED

寰宇國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

DISCLOSEABLE TRANSACTION: ACQUISITION OF SHARES IN THE TARGET

On 7 January 2014, the Purchaser contracted to purchase and the Vendor contracted to sell the Sale Shares, representing approximately 4.17% of the issued share capital of the Target at the Consideration of HK\$60,025,000.

The Acquisition contemplated under the Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

The Board wishes to announce that on 7 January 2014, the Purchaser contracted to purchase and the Vendor contracted to sell the Sale Shares, representing approximately 4.17% of the issued share capital of the Target at the Consideration of HK\$60,025,000. The particulars of the Acquisition are set out below:

THE ACQUISITION

Date

7 January 2014

Parties

- Purchaser : Weluck Development Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.
- Vendor : Rich Place Investment Limited, a company incorporated in the British Virgin Islands with limited liability and the principal activity of which is investment holding.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, each of the Vendor and its ultimate beneficial owners is a third party independent of the Company and the connected persons of the Company.

* for identification purposes only

Assets to be acquired

Under the Acquisition, the Vendor contracted to sell and the Purchaser contracted to purchase the Sale Shares at the Consideration of HK\$60,025,000. Completion of the Acquisition is expected to take place on 10 January 2014.

The Sale Shares, being 171,500,000 Target Shares, represents approximately 4.17% of the issued share capital of the Target as at the date of this announcement and is owned by the Vendor.

Consideration

The Consideration for the Sale Shares shall be paid by the Purchaser to the Vendor in cash.

The purchase price is HK\$0.35 per Sale Share, representing a discount of approximately 83.33% to the closing price of HK\$2.10 per Target Share as quoted on the Stock Exchange on the date of the Acquisition.

The Consideration was funded by the internal resources of the Group.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to the prevailing market price of the Target Shares, the net asset value per Target Share of approximately HK\$0.072 based on the unaudited consolidated net asset value of the Target Group as at 30 September 2013 as disclosed in the interim report of the Target for the six months ended 30 September 2013 and the reasons as set out in the paragraph headed "Reasons for and benefits of the Acquisition" below.

INFORMATION ON THE TARGET

The Target, China Railsmedia Corporation Limited, is a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (Stock code: 745). The principal activities of the Target Group are in building constructions, renovation and related services, and providing advertising media services.

The unaudited consolidated net asset value of the Target Group as at 30 September 2013 was approximately HK\$296.09 million, as disclosed in the interim report of the Target for the six months ended 30 September 2013. As disclosed in the annual report of the Target for the year ended 31 March 2013, (1) the audited consolidated loss before taxation and extraordinary items of the Target Group for the two years ended 31 March 2012 and 31 March 2013 were approximately HK\$45.2 million and HK\$90.8 million respectively; and (2) the audited consolidated loss after taxation and extraordinary items of the Target Group for the two years ended 31 March 2012 and 31 March 2013 were approximately HK\$45.5 million and HK\$90.9 million respectively.

Upon completion of the Acquisition, the Group would own as to approximately 4.17% of the issued share capital of the Target.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the business of distribution of films in various videogram formats, licensing and sub-licensing of film rights and film exhibition and leasing of investment properties.

As disclosed in the announcement (“**Previous Announcement**”) of the Company dated 18 December 2013, Fragrant River Entertainment, a wholly-owned subsidiary of the Company, entered into the Cooperation Framework Agreement with FingerAd, a wholly-owned subsidiary of the Target, pursuant to which, among other matters, Fragrant River Entertainment and FingerAd intended to cooperate in the following areas: (1) Fragrant River Entertainment shall recommend FingerAd to world class Hollywood and international film and TV production companies as strategic partners; (2) Fragrant River Entertainment and FingerAd shall jointly formulate import film plans and strategies; (3) Fragrant River Entertainment shall procure distribution and sales channels for the foreign films and TV contents imported by FingerAd; and (4) Fragrant River Entertainment and FingerAd shall jointly invest in the set up of cinema circuits in the PRC.

Further, as disclosed in the Previous Announcement, FingerAd entered into a memorandum of understanding with i-Marker on 8 October 2013 in relation to a proposed exclusive cooperation in the import and distribution of foreign films and TV contents into the PRC. i-Marker had entered into an exclusive cooperation agreement with 中國文化藝術有限公司 (in English for identification purpose, China National Culture & Art Corporation, a stated owned enterprise established under the Ministry of Culture of the PRC) in relation to the exclusive partnership in the import and distribution of foreign TV content. Pursuant to such memorandum of understanding, FingerAd and i-Marker would negotiate in good faith for a series of agreements to establish the exclusive business cooperation (“**Proposed FingerAd-i-Marker Cooperation**”) to execute the business pursuant to the cooperation agreement, which i-Marker would assign all rights and obligations, including the set up of strategic partnership with world class Hollywood and international film and TV studios, producers, and production teams; formulation of import film plan and strategy; appointment of Hollywood import film agent and partner; and assisting in the set up of cinema circuits in the PRC under the cooperation agreement to FingerAd.

The Directors consider that the Proposed FingerAd-i-Marker Cooperation, if materialises, would provide an opportunity for the Target to tapping into further business opportunities in the media business in the PRC and the Acquisition would there enable the Group to acquire a stake in the shareholding in the Target with a discount compared to the prevailing market price of the Target Shares and enable the Group to increase its investment in the entertainment industry in the PRC.

The Acquisition was determined after arm’s length negotiations between the parties thereto and the Directors are of the view that the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares
“Board”	the board of Directors
“Cooperation Framework Agreement”	the cooperation framework agreement dated 18 December 2013 entered into between Fragrant River Entertainment and FingerAd, the particulars of which are set out in the announcement of the Company dated 18 December 2013
“Company”	Universe International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration paid by the Purchaser for the Sale Shares under the Acquisition
“Director(s)”	the director(s) of the Company
“FingerAd”	FingerAd Media Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target
“Fragrant River Entertainment”	Fragrant River Entertainment Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“i-Marker”	i-Market Culture & Media Investments Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Weluck Development Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Shares”	171,500,000 Target Shares

“Share(s)”	share(s) of the Company of HK\$0.02 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	China Railsmedia Corporation Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (Stock code: 745)
“Target Group”	the Target and its subsidiaries
“Target Share(s)”	share(s) of the Target of HK\$0.01 each
“Vendor”	Rich Place Investment Limited, a company incorporated in the British Virgin Islands with limited liability

On behalf of the Board
Lam Shiu Ming, Daneil
Chairman and Executive Director

Hong Kong, 7 January 2014

As at the date of this announcement, the Board comprises Mr. Lam Shiu Ming, Daneil, Mr. Hung Cho Sing, Mr. Yeung Kim Piu and Mr. Lam Kit Sun as executive Directors and Mr. Lam Wing Tai, Mr. Choi Wing Koon and Mr. Lam Chi Keung as independent non-executive Directors.