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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)

#### INSIDE INFORMATION: MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED JOINT VENTURE

This announcement is made by Universe International Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules).

#### MOU

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that after the trading hours on 17 October 2014, the Fragrant River Entertainment Culture (Holdings) Limited (“**Fragrant River**”), a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (“**MOU**”) with a company incorporated in the British Virgin Islands (“**JV Partner**”) with a view to establishing a joint venture company for the purpose of (i) holding and sponsoring stage performance, concerts and other cultural events; and (ii) developing the entertainment business in Hong Kong and China (“**Proposed Joint Venture**”).

#### Principal terms of the MOU

The principal terms of the MOU include:

- (1) The parties shall, within the period of four (4) months from the date of the MOU (or such longer period as the parties may agree in writing) (“**Exclusivity Period**”), negotiate with each other in good faith with the aim of agreeing and entering into a binding formal agreement to set out the definitive terms of the Proposed Joint Venture (“**Definitive Agreement**”).
- (2) The aggregate maximum amount of investment in the JV Company is HK\$50,000,000, which shall be shared between Fragrant River and the JV Partner. The portion of investment contributed by the parties is subject to further negotiations and to be set out in the Definitive Agreement.

\* for identification purposes only

- (3) Completion of the Proposed Joint Venture is conditional upon the fulfilment or waiver (where applicable) of all the condition(s) to be set out in the Definitive Agreement, which shall be negotiated and agreed upon by the parties in good faith after the date of the MOU.
- (4) The JV Partner agrees with Fragrant River that during the Exclusivity Period, the JV Partner shall not, directly or indirectly, whether by itself or through any of its directors, officers, employees, shareholders, agents or representatives, discuss, negotiate or enter into any contract or agreement with or give any undertaking in favour of any third party which may result in frustrating or impeding the furtherance of the formation of the Proposed Joint Venture and all transactions contemplated under the MOU.
- (5) The MOU does not intend to be legally binding and shall not constitute the entire legal agreement or commitment between the parties on the transactions contemplated under the MOU, except for the provisions regarding the issue of confidentiality, exclusivity, termination, costs and governing law under the MOU.
- (6) The MOU shall be terminated upon the execution of the Definitive Agreement, save for the provisions relating to confidentiality and governing law. In the event that the Definitive Agreement has not been entered into between the parties within the Exclusivity Period, either Fragrant River or the JV Partner may terminate the MOU forthwith by immediate notice to the other.

#### **INFORMATION OF THE JV PARTNER**

The JV Partner is a limited liability company incorporated in the British Virgin Islands, which is principally engaged in investment holding. The JV Partner is controlled by Mr. Wong Ngao San Marcus, who has extensive experience in investment in the entertainment business.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the JV Partner and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules) and their respective associates (as defined in the Listing Rules).

#### **INFORMATION OF THE GROUP**

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

The Board considers that the transaction as contemplated under the MOU, if materialised, will enhance the Group's business in the entertainment industry. The Board further holds the view that the Group may be benefitted from participating in the Proposed Joint Venture as it may achieve synergies to its existing business and attract new business opportunities with a view of maximizing the return of the shareholders.

## GENERAL

The Board wishes to emphasize that the MOU may or may not lead to the entering into of the Definitive Agreement and the transactions contemplated thereunder may or may not be consummated. In the event that the Definitive Agreement materialises, the transaction contemplated thereunder may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

On behalf of the Board  
**Universe International Holdings Limited**  
**Lam Shiu Ming, Daneil**  
*Chairman and Executive Director*

Hong Kong, 17 October 2014

*As at the date of this announcement, the Board comprise of 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.*