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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)

GRANT OF SHARE OPTIONS

On 4 March 2016, the Company conditionally or unconditionally (as the case may be) granted a total of 97,793,000 Options to the Grantees pursuant to the Share Option Scheme, subject to the acceptance of the Grantees.

This announcement is made by the Company pursuant to Rule 17.06A of the Listing Rules.

GRANT OF SHARE OPTIONS

The Board announces that on 4 March 2016, a total of 97,793,000 Options were conditionally or unconditionally (as the case may be) granted by the Company to the Grantees, subject to the acceptance of the Grantees, under the Share Option Scheme. The Options will entitle the Grantees to subscribe for up to a total of 97,793,000 new Existing Shares, representing approximately 6.60% of all Existing Shares in issue as at the Date of Grant. Details of the Options granted are as follows:

Date of Grant: 4 March 2016

Exercise price of Options granted: HK\$0.092 per Existing Share, which represents the highest of:

- (i) the closing price of HK\$0.077 per Existing Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant;
- (ii) the average closing price of HK\$0.092 per Existing Share as stated in the daily quotation sheets issued by the Stock Exchange for the five consecutive business days immediately preceding the Date of Grant; and
- (iii) the nominal value of HK\$0.01 per Existing Share

* for identification purposes only

Number of Options granted:	97,793,000 Options (each Option shall entitle the holder of such Option to subscribe for one Existing Share)
Exercise period of the Options:	2 years from 4 March 2016 to 3 March 2018
Consideration for the grant of the Options:	HK\$1.00 to be paid by the Grantees upon the acceptance of the Options granted

As at the Date of Grant, the Company had 1,481,490,921 Shares in issue.

The table below shows a breakdown of Options that were granted to (i) the Directors, chief executive and substantial shareholder of the Company, or an associate of any of them; and (ii) other employee of the Group:

Name of Grantee	Position held with the Group and relationship with the Group	Number of Shares to be issued upon full exercise of the Options granted
Mr. Lam Siu Keung, Alvin	General manager of film production and film distribution division of the Group	29,629,000
Ms. Cheng Hei Yu	Executive Director	14,814,000
Mr. Hung Cho Sing	Executive Director	14,814,000
Mr. Lam Kit Sun	Executive Director, Chief Financial Officer and Company Secretary of the Group	14,814,000
Mr. Chan Shiu Kwong, Stephen	Non-executive Director	14,814,000
Employee of the Group		<u>8,908,000</u>
Total		<u><u>97,793,000</u></u>

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, the grant of the options by the Company to any Director, chief executive, or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the options concerned). The grant of the Options to each of the above Directors, chief executives and substantial shareholders of the Company or any of their respective associates has been reviewed and approved by the independent non-executive Directors.

In addition, pursuant to Rule 17.03(4), where any further grant of the options to any participant would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme or any other schemes of the Group to such person (including options exercised, cancelled and outstanding) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of shares of the Company in issue, such further grant must be separately approved by the Shareholders in general meeting. The grantee and his associates must abstain from voting in favour of such grant at the general meeting.

Accordingly, the grant of the Options to Mr. Lam Siu Keung, Alvin is subject to the approval of Independent Shareholders pursuant to the Listing Rules. Mr. Lam Siu Keung, Alvin and his associates must abstain from voting in favour of such resolution(s) at the SGM.

POSSIBLE ADJUSTMENTS TO THE OPTIONS

As disclosed in the circular of the Company dated 23 February 2016, the Company will hold a special general meeting on 17 March 2016 for the Shareholders to consider and, if though fit, approve the Capital Reorganisation. Subject to the Capital Reorganisation becoming effective, adjustments may be required to be made to the exercise price of the Options and the number of Shares to be issued under the Options pursuant to the terms and conditions of the Share Option Scheme. The Company will make further announcement(s) about the adjustment(s) in due course if and when appropriate.

GENERAL

The SGM will be convened and held for the Independent Shareholders to consider and, if though fit, approve the grant of the Options to Mr. Lam Siu Keung, Alvin. A circular containing, among other things, further information in relation to the grant of the Options to Mr. Lam Siu Keung, Alvin as required under the Listing Rules, together with the notice of the SGM, will be despatched to the Shareholders in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Capital Reorganisation”	the proposal for the capital reorganisation put forward to the shareholders of the Company as set out in the circular of the Company dated 23 February 2016 involving, among other steps, (i) the proposed share consolidation of 10 Existing Shares into 1 consolidated share of HK\$0.10 each and (ii) the proposed reduction of the share capital of the Company whereby the par value of each of the then issued consolidated shares of HK\$0.10 each will be reduced from HK\$0.10 to HK\$0.01 each by cancelling the paid-up capital of the Company to the extent of HK\$0.09 on each of the then issued consolidated share and thereby creating the New Shares

“Company”	Universe International Holdings Limited, a company incorporated in the Bermuda, the issued shares of which are listed on the Stock Exchange of Hong Kong Limited (stock code:1046)
“Date of Grant”	4 March 2016, being the date on which the Options were conditionally or unconditionally (as the case may be) grant to the Grantees
“Directors”	the directors of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company prior to the Capital Reorganisation becoming effective
“Grantees”	Mr. Lam Siu Keung, Alvin; Ms. Cheng Hei Yu; Mr. Hung Cho Sing; Mr. Lam Kit Sun; Mr. Chan Shiu Kwong, Stephen; and an employee of the Group
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the relevant resolution(s) at the SGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company after the Capital Reorganisation becoming effective
“Options”	the options conditionally or unconditionally (as the case may be) granted to the Grantees under the Share Option Scheme to subscribe for an aggregate of 97,793,000 Existing Shares at the exercise price of HK\$0.092 per Existing Share
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the grant of the Options
“Share(s)”	the Existing Share(s), or as the case may be, the New Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted on 2 December 2013
“Shareholders”	the holder(s) of the Existing Shares or New Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

By order of the Board
Universe International Holdings Limited
Lam Shiu Ming, Daneil
Chairman and Executive Director

Hong Kong, 4 March 2016

As at the date of this announcement, the executive Directors are Mr. Lam Shiu Ming, Daneil, Mr. Hung Cho Sing, Ms. Cheng Hei Yu and Mr. Lam Kit Sun, the non-executive Director is Mr. Chan Shiu Kwong Stephen, and the independent non-executive Directors are Mr. Lam Wing Tai, Mr. Choi Wing Koon and Mr. Lam Chi Keung.