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UNIVERSE INTERNATIONAL FINANCIAL HOLDINGS LIMITED
寰宇國際金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE FILM LIBRARY**

Financial Adviser to the Company



THE DISPOSAL

The Board announces that on 9 January 2017 (after trading hours), the Vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase, the Film Library at the Consideration of RMB178,895,064 subject to possible adjustment in the manner as set out under the section headed "Inspection and adjustment to Consideration" in this announcement.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as defined under the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the requirements for reporting, announcement and approval by the Shareholders at the SGM by way of poll under the Listing Rules. As no Shareholder has any material interest in the Disposal, no Shareholder is required to abstain from voting in the resolution(s) to be proposed at the SGM to approve the Transactions.

SGM

The SGM will be convened by the Company for the purpose of, among other things, seeking approval from the Shareholders of the Transactions.

It is expected that a circular containing, among other things, (a) further details of the Disposal; (b) financial information of the Group; (c) financial information of the Film Library; (d) unaudited pro forma financial information of the remaining Group; (e) the valuation report of the Film Library; and (f) a notice of the SGM, will be despatched to the Shareholders on or before 1 February 2017 in accordance with the Listing Rules.

Shareholders and potential investors of the Company should note that completion of the Sale and Purchase Agreement is subject to the satisfaction and/or waiver of the Conditions Precedent. Accordingly, the Transactions may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

INTRODUCTION

The Board announces that on 9 January 2017 (after trading hours), the Vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase, the Film Library at the Consideration of RMB178,895,064 subject to possible adjustment in the manner as set out under the section headed “Inspection and adjustment to Consideration” in this announcement.

THE SALE AND PURCHASE AGREEMENT

Date

9 January 2017 (after trading hours)

Vendor

Universe Films Distribution Company Limited (寰宇影片發行有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

Purchaser

北京愛奇藝科技有限公司 (Beijing iQIYI Science & Technology Co., Ltd*), a company incorporated under the laws of PRC with limited liability.

Save as disclosed under the section headed “Information about the Group and the Parties” in this announcement, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Sale and Purchase of the Film Library

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, among other things, the Film Library owned by the Vendor subject to the terms and conditions contained therein.

Consideration

RMB178,895,064 subject to possible adjustment in the manner as set out under the section headed “Inspection and adjustment to Consideration” in this announcement.

The Consideration is payable in cash by the Purchaser to the Vendor in the following manner:

- (a) as to the initial consideration (the “**Initial Consideration**”) of approximately RMB35,779,013 (subject to withholding of the relevant Tax by the Purchaser) will be payable within 60 days of the date of execution of the Sale and Purchase Agreement;
- (b) as to the first balance consideration (the “**First Balance Consideration**”) of approximately RMB71,558,026 or, where applicable, the First Balance Consideration less the Certified RF Valuation (subject to withholding of the relevant Tax by the Purchaser) will be payable on the First Completion;
- (c) as to the second balance consideration (the “**Second Balance Consideration**”) of approximately RMB53,668,519 (subject to withholding of the relevant Tax by the Purchaser) will be payable on the Second Completion; and
- (d) as to the third balance consideration (the “**Third Balance Consideration**”) of approximately RMB17,889,506 (subject to withholding of the relevant Tax by the Purchaser) will be payable on the Third Completion.

The Vendor shall bear the Tax, such Tax shall be withheld by the Purchaser when the Purchaser pays the Initial Consideration, the First Balance Consideration, the Second Balance Consideration and the Third Balance Consideration, respectively to the Vendor.

The Consideration was arrived at after arm’s length negotiations between the Parties by reference to the Preliminary Asset Valuation of approximately HK\$160 million as at 12 October 2016 performed by the Valuer by adopting the income approach. As the income approach has been adopted, the valuation of the Film Library constitutes a profit forecast under Rule 14.61 of the Listing Rules. Further details including (a) the principal assumptions, including commercial assumptions, upon which the forecast is based; (b) a letter from the Company’s auditors confirming that they have reviewed the accounting policies and calculations under the forecast; and (c) a report from the Company’s financial adviser confirming that they are satisfied that the forecast has been made by the Directors after due and careful enquiry as required under Rule 14.62 of the Listing Rules, will be set out in the circular regarding the Disposal to be despatched to the Shareholders.

Details of the valuation of the Film Library including the valuation approach will be included in the valuation report to be set out in the circular regarding the Disposal to be despatched to the Shareholders.

Inspection and adjustment to Consideration

The Inspection shall be subject to the following terms:

- (a) The Purchaser shall use its reasonable commercial efforts to complete a review of the title of the Vendor to the Film Library within 25 Business Days after the start date of the Inspection.
- (b) In the event that any material error or discrepancy is found in the Film Library, the Purchaser shall issue the Purchaser's Request to the Vendor within 5 Business Days of completion of the Inspection and the Vendor shall use its reasonable commercial efforts to rectify the same within the Rectification Period, but in any event no later than the date of the First Completion. If no Purchaser's Request has been issued to the Vendor within the time stipulated, the Purchaser shall be deemed to be satisfied with the results of the Inspection and the Vendor's title to the Film Library.
- (c) In the event that any material error or discrepancy in the Film Library as specified in the Purchaser's Request is not capable to be rectified by the Vendor, the Purchaser shall within 10 Business Days after the expiry of the Rectification Period issue the RF Notice. The Vendor and the Purchaser shall within 10 Business Days after the date of the RF Notice jointly appoint an independent valuer to obtain the Certified RF Valuation which shall be final and binding on the Parties in the absence of manifest error. In such event, the Parties agree that the Consideration shall be reduced by the amount of the Certified RF Valuation.

If there is any adjustment to the Consideration after the Inspection, the Company will disclose it in the circular regarding the Disposal to be despatched to the Shareholders.

Conditions Precedent to the Sale and Purchase Agreement

Completion is conditional upon, among other things:

- (a) the passing by the Shareholders in the SGM by way of poll of resolution(s) approving, amongst other things, all the transactions contemplated under the Sale and Purchase Agreement and authorising the execution, delivery and performance of all the transactions contemplated under the Sale and Purchase Agreement and any agreement ancillary thereto;
- (b) all requirements imposed by the Stock Exchange under the Listing Rules or otherwise in connection with all the transactions contemplated by the Sale and Purchase Agreement having been fully complied with;
- (c) all waivers, consents, approvals or confirmations of the Stock Exchange, and all relevant waivers, consents, approvals or confirmations required for the Parties to enter into and perform the obligations of the Sale and Purchase Agreement having been duly obtained and recorded (if required);
- (d) the representations, warranties and undertakings of the Vendor in the Sale and Purchase Agreement remaining true and accurate and not misleading as given as of the date of execution of the Sale and Purchase Agreement and on Completion;
- (e) no written claims have been received by the Vendor;

- (f) the Vendor having complied fully with the obligations and otherwise having performed all of the covenants and agreements required to be performed by it under the Sale and Purchase Agreement;
- (g) the Vendor having taken all necessary corporate and other action to authorise the execution, delivery and performance of the Sale and Purchase Agreement and any agreement ancillary thereto;
- (h) the Purchaser's representations, warranties and undertakings under the Sale and Purchase Agreement remaining true and accurate and not misleading as given as of the date of execution of the Sale and Purchase Agreement and on Completion;
- (i) the Purchaser and the member thereof, having taken all necessary corporate and other action to authorise the execution, delivery and performance of the Sale and Purchase Agreement and any agreement ancillary thereto;
- (j) the Purchaser having complied fully with all its obligations and otherwise having performed all of the covenants and agreements required to be performed by it under the Sale and Purchase Agreement; and
- (k) the Purchaser having completed the Inspection and satisfied with the results of the Inspection and written notice to that effect having been given to the Vendor.

None of the Conditions Precedent can be waived by the Vendor or the Purchaser except for the condition in (d) above which can be waived by the Purchaser.

The First Completion will take place on a day which is no later than the 60th day (or such other day as the Parties may agree in writing prior to the First Completion) after all the Conditions Precedent have been satisfied.

The Second Completion will take place on a day which is no later than the 60th day (or such other day as the Parties may agree in writing prior to the Second Completion) after the completion of the quantity checking of the Physical Properties by the Purchaser in accordance with the Sale and Purchase Agreement.

The Third Completion will take place on a day which is no later than the 60th day (or such other day as the Parties may agree in writing prior to the Third Completion) after the delivery of the documents and items (including the Deliverables) by the Vendor to the Purchaser in accordance with the Sale and Purchase Agreement.

If any Conditions Precedent shall not have been fulfilled (or waived in accordance with the terms of the Sale and Purchase Agreement) by 30 April 2017 or such other date as the Parties may agree in writing, then the Purchaser shall not be bound to proceed with the purchase of the Film Library, and save in respect of any antecedent breach by any Party under the Sale and Purchase Agreement, all payments made by the Purchaser to the Vendor shall be returned in full immediately (except for the non-fulfillment of the conditions in (c) and (h) to (k) due to the default of the Purchaser), all rights and liabilities of the Parties shall cease and neither Party shall have any claim against the other Party.

Options granted to the Vendor at the First Completion

With effect from the First Completion, subject to procedures as more particularly set out in the Sale and Purchase Agreement to be observed by the Parties, the Purchaser shall grant to the Vendor the following options:

- (a) an exclusive right to commence the production, development or exploitation (the “**Production**”) of sequels and/or prequels of two Films in the Film Library (the “**Proposed Film Sequels/Prequels**”) for a period of 36 months from the date of the First Completion (the “**Option Period**”). For so long the Vendor commences the Production of the Proposed Film Sequels/Prequels within the Option Period, the Vendor shall grant an option to the Purchaser (the “**Grant of Option by Vendor**”):
 - (i) as one of the investors in the Proposed Film Sequels/Prequels, to invest up to 30% of the total production fee of the Proposed Film Sequels/Prequels; and
 - (ii) to acquire an internet distribution right of the Proposed Film Sequels/Prequels; and
- (b) an option to produce any television dramas, internet dramas and internet film or any forms of audiovisual production in relation to each of the Films in the Film Library except for the 26 Films for an indefinite period of time.

As the Grant of Option by Vendor constitutes a transaction for the Company under Chapter 14 of the Listing Rules, if the Vendor commences the Production of the Proposed Film Sequels/Prequels, the Company will comply with the relevant requirements under Chapter 14 of the Listing Rules as and when appropriate.

INFORMATION OF THE FILM LIBRARY

The Film Library consists 202 feature films, but excluding:

- (a) all exploitation agreements entered into by the Vendor before the date of the Sale and Purchase Agreement and the Video Exploitation Confirmations;
- (b) all fees paid or payable to the Vendor under all exploitation agreements entered into by the Vendor before the date of the Sale and Purchase Agreement and the Video Exploitation Confirmations;
- (c) 15% of all fees paid and due and payable to the Vendor under all exploitation agreements entered into by the Vendor on or after the date of the Sale and Purchase Agreement up to the Third Completion;
- (d) all prequel, sequel and remake rights in relation to the 26 Films;
- (e) Video Exploitation Retention, and

may subject to certain limitations in terms of scope of territories and rights of distribution of, and percentage of ownership for, certain Films in the Film Library, as more particularly set out in the Sale and Purchase Agreement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in securities brokerage and margin financing, money lending, properties and securities investment, film distribution and exhibition, licensing and sublicensing of film rights, trade, wholesale and retail of optical products, watch and jewellery products.

The cost of the Film Library has been almost fully amortised in previous years and the carrying value of the Film Library is HK\$3,682,532. The Company considers that the Disposal, if materialised, is in the interests of the Group and the Shareholders as a whole, and in particular it would allow the Group to realise a one-off gain of approximately HK\$173.77 million and a net proceeds of approximately HK\$177.45 million from the Disposal respectively.

The Film Library, being the subject of the Disposal, accounts for only approximately 11.0% of the revenue generated from the video distribution, film distribution and exhibition, licensing and sub-licensing of film rights as one of the existing businesses of the Company. Apart from the Film Library, the Group still owns approximately 300 feature films, non-feature films, television series, documentaries and Chinese opera. Further, the post production of a film is being processed and the Company has several film projects on hand.

Upon the Third Completion, the Company intends to continue its existing businesses including film exhibition, licensing and sub-licensing of film rights. Further, the remaining Group will continue the management of its operations in model and scale (such as number of staff) similar to that as before the Disposal. Hence, the Disposal will not result in significant scaling down nor cessation of the existing businesses of the Company. On the contrary, the Disposal will provide the Company with the opportunity to capture the residual value of the old Films.

The Group will apply a substantial part of the net proceeds from the Disposal to develop its securities trading and margin financing business. In addition, the Disposal will enable the Group to strengthen its financial position by applying part of the net proceeds to repay the Group's borrowing. The Group aims to improve its financial performance by focusing on sustainable and profitable businesses such as securities brokerage and margin financing businesses and reducing its finance cost.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement (including the Consideration) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, other than the Disposal, the Company has not entered into any agreement, or reached any understanding, or is in any negotiation in relation to (a) any disposal of the Company's remaining assets; and (b) any disposal or termination of the Company's existing businesses.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The net profits (both before and after taxation and extraordinary items) attributable to the Film Library for each of the financial year ended 30 June 2015 and 30 June 2016 are HK\$6,485,533 and HK\$4,973,072, respectively.

Upon the Third Completion, the Group will cease to own the Film Library and the exploitation agreements relating to the Film Library entered into by the Vendor between the date of the Sale and Purchase Agreement and the date of the Third Completion in accordance with the Sale and Purchase Agreement.

It is estimated that, upon Completion, the Group will record a gain on disposal of approximately HK\$173.77 million and receive net proceeds of the Disposal of approximately HK\$177.45 million. The net proceeds is estimated based on the difference between the Consideration of RMB178,895,064 for the Disposal and (a) the Tax; and (b) the professional expenses arising from the Disposal. The Group intends to apply the net proceeds of the Disposal of approximately HK\$177.45 million as follows:

- (a) approximately HK\$30 million will be used to repay the Group's borrowings; and
- (b) the remaining of the net proceeds of the Disposal of approximately HK\$147.45 million will be used to develop the securities trading and margin financing business of the Group.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as defined under the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. Hence, the Disposal is subject to the requirements for reporting, announcement and approval by the Shareholders at the SGM by way of poll under the Listing Rules. As no Shareholder has any material interest in the Disposal, no Shareholder is required to abstain from voting in the resolution(s) to be proposed at the SGM to approve the Transactions.

SGM

The SGM will be convened by the Company for the purpose of, among other things, seeking the approval from the Shareholders of the Transactions.

A circular containing, inter alia, (a) further details of the Disposal; (b) financial information of the Group; (c) financial information of the Film Library; (d) unaudited pro forma financial information of the remaining Group; (e) the valuation report of the Film Library; and (f) a notice of the SGM, will be despatched to the Shareholders on or before 1 February 2017 in accordance with the Listing Rules.

INFORMATION ABOUT THE GROUP AND THE PARTIES

The Group is principally engaged in securities brokerage and margin financing, money lending, properties and securities investment, film distribution and exhibition, licensing and sublicensing of film rights, trade, wholesale and retail of optical products, watch and jewellery products.

The Vendor, Universe Films Distribution Company Limited (寰宇影片發行有限公司), is a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

The Purchaser, 北京愛奇藝科技有限公司 (Beijing iQIYI Science & Technology Co., Ltd*), is a company incorporated under the laws of PRC with limited liability. The Purchaser is principally engaged in the operation of a video-streaming online platform (www.iqiyi.com) in the PRC.

The Purchaser is affiliated to an existing licensee (the “**Licensee**”) of the Group’s business concerning film rights licensing, and was introduced to the Company through the Licensee. Save as disclosed above, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Shareholders and potential investors of the Company should note that completion of the Sale and Purchase Agreement is subject to the satisfaction and/or waiver of the Conditions Precedent. Accordingly, the Transactions may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

“associates”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday and any day on which a tropical cyclone warning signal No. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal opening hours
“Certified RF Valuation”	the value of the Rejected Film(s) as assessed and certified in writing by an independent valuer jointly appointed by the Vendor and the Purchaser

“Chain of Title Documentation”	(a) all contracts and documents which establish the ownership of the Vendor in the Film; (b) exploitation agreements entered into by the Vendor in relation to the Film Library; and (c) the Video Exploitation Confirmations
“Company”	Universe International Financial Holdings Limited (寰宇國際金融控股有限公司), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	The First Completion, the Second Completion and/or the Third Completion, as the case may be
“Conditions Precedent”	the conditions precedent set out in the section headed “Conditions Precedent to the Sale and Purchase Agreement” in this announcement
“Confirmation Letter”	the confirmation letter issued by MPIA confirming the registration of a Film has been completed
“Consideration”	RMB178,895,064, being the total consideration payable by the Purchaser to the Vendor in cash under the Sale and Purchase Agreement, subject to possible adjustment in the manner as set out under the section headed “Inspection and adjustment to Consideration” in this announcement
“Deliverables”	(a) the Chain of Title Documentation; and (b) the Physical Properties
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Film Library by the Vendor to the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement
“Film Library”	202 feature films, each a “Film”, but excluding (a) all exploitation agreements entered into by the Vendor before the date of the Sale and Purchase Agreement and the Video Exploitation Confirmations; (b) all fees paid or payable to the Vendor under all exploitation agreements entered into by the Vendor before the date of the Sale and Purchase Agreement and the Video Exploitation Confirmations; (c) 15% of all fees paid and due and payable to the Vendor under all exploitation agreements entered into by the Vendor on or after the date of the Sale and Purchase Agreement up to the Third Completion; (d) all prequel, sequel and remake rights in relation to the 26 Films; (e) Video Exploitation Retention, and may subject to certain limitations in terms of scope of territories and rights of distribution of, and percentage of ownership for, certain Films in the Film Library, as more particularly set out in the Sale and Purchase Agreement

“First Completion”	<p>completion of the sale and purchase of the Film Library when, among other things:</p> <p>(a) the Vendor shall:</p> <p>(i) deliver to the Purchaser the Confirmation Letter in respect of each of the Films;</p> <p>(ii) make available the Chain of Title Documentation in the offices of the Vendor for the Inspection; and</p> <p>(iii) deliver to the Purchaser the Certified RF Valuation (if any);</p> <p>(b) the Purchaser shall:</p> <p>(i) deliver to the Vendor a written notice confirming that the Purchaser have completed the Inspection and satisfied with the results thereof;</p> <p>(ii) grant the options specified under the sub-section headed “Options granted to the Vendor at the First Completion” in this announcement to the Vendor; and</p> <p>(iii) pay the First Balance Consideration or the First Balance Consideration less the Certified RF Valuation, where applicable, to the Vendor</p>
“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 People’s Republic of China
“Independent Third Party(ies)”	an independent third party who is not connected with any directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates
“Inspection”	the inspection of the Film Library by the Purchaser at its own cost at the Vendor’s offices in Hong Kong in accordance with the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“MPIA”	the Motion Picture Industry Association Limited in Hong Kong
“Parties”	the Vendor and the Purchaser and “Party” refers to either the Vendor or the Purchaser
“Physical Properties”	all tangible properties of every kind or nature of or relating to or embodying the Film Library in their current forms that are owned by the Vendor as set out in the Sale and Purchase Agreement
“PRC”	the People’s Republic of China, which excludes Hong Kong for the purpose of this announcement
“Preliminary Asset Valuation”	the fair value of the Film Library of approximately HK\$160 million as at 12 October 2016 performed by the Valuer by adopting the income approach
“Purchaser”	北京愛奇藝科技有限公司 (Beijing iQIYI Science & Technology Co., Ltd*), a company incorporated under the laws of PRC with limited liability
“Purchaser’s Request”	a written request which may be issued by the Purchaser to the Vendor setting out details of any error or discrepancy in relation to the Film Library
“RF Notice”	a written notice which may be issued by the Purchaser to the Vendor listing out all the Rejected Films and stating that the total number of Films to be bought by the Purchaser shall be reduced by the number of the Rejected Films
“Rectification Period”	within 20 Business Days of the Purchaser’s Request
“Rejected Films”	any material error or discrepancy in the Film Library as specified in the Purchaser’s Request that is/are not capable to be rectified by the Vendor within the Rectification Period
“RMB”	Renminbi, the lawful currency of PRC
“Sale and Purchase Agreement”	a conditional sale and purchase agreement dated 9 January 2017 entered into between the Vendor and the Purchaser in relation to the Film Library
“Second Completion”	completion of the sale and purchase of the Film Library when, among other things: <ul style="list-style-type: none"> (a) the Vendor shall make available the Physical Properties at the offices of the Vendor for checking; and

	(b) subject to the quantity checking of the Physical Properties by the Purchaser, the Purchaser shall pay the Second Balance Consideration to the Vendor
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Transactions
“Share(s)”	ordinary share(s) of HK\$0.01 (each) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tax”	the Withholding Income Tax (代扣代繳企業所得稅) and Surtax (代扣代繳附加稅) of the PRC at the current rate of 10.72% payable in connection with the sale of the Film Library assessed by any local, municipal, regional, urban, governmental, state, federal or other body or authority in PRC which shall not exceed 10.72% of the Consideration
“Third Completion”	<p>completion of the sale and purchase of the Film Library when, among other things:</p> <p>(a) the Vendor shall:</p> <ul style="list-style-type: none"> (i) deliver to the Purchaser a duly executed assignment in relation to the Film Library; (ii) deliver to the Purchaser the Deliverables; (iii) deliver either the Certificate of Royalty or the Certificate of Distribution in respect of each of the Film subject to the nature of copyright registration in MPIA; (iv) pay 85% of all income and fees paid and due and payable, to the Vendor under all the exploitation agreements entered into by the Vendor between the date of the Sale and Purchase Agreement and the date of the Third Completion (if any) to the Purchaser; (v) deliver to the Purchaser assignment(s) in respect of all the exploitation agreements entered into by the Vendor between the date of the Sale and Purchase Agreement and the date of the Third Completion (if any); and

	(b) the Purchaser shall pay the Third Balance Consideration to the Vendor
“Transactions”	the Disposal and the transactions contemplated thereunder
“Valuer”	Access Partner Consultancy & Appraisals Limited, an independent firm of professional valuer engaged by the Company
“Vendor”	Universe Films Distribution Company Limited (寰宇影片發行有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Video Exploitation Confirmations”	the video distribution rights of the Film Library for the purpose of exploiting the sale of videogram products of the Films granted by the Vendor to Universe Digital Entertainment Limited (寰宇數碼娛樂有限公司), an indirect wholly-owned subsidiary of the Company, as at the date of the Sale and Purchase Agreement
“Video Exploitation Retention”	the distribution right of the remaining stock of video products of the Films for a record of 3 years from the date of the Sale and Purchase Agreement to be retained by Universe Digital Entertainment Limited (寰宇數碼娛樂有限公司)
“26 Films”	26 Films in the Film Library as more particularly set out in the Sale and Purchase Agreement
“%”	per cent.

By Order of the Board
Universe International Financial Holdings Limited
Lam Shiu Ming, Daneil
Chairman

For the purpose of this announcement, the conversion of RMB into HK\$ is based on the exchange rate of RMB1 = HK\$1.119. Such conversion should not be construed as a representation that the amount in question has been or could have been or can be converted at the above rate or at any other rates or at all.

Hong Kong, 9 January 2017

As at the date of this announcement, the executive Directors are Mr. Lam Shiu Ming, Daneil, Mr. Hung Cho Sing and Mr. Lam Kit Sun, and the independent non-executive Directors are Mr. Lam Chi Keung, Mr. Choi Wing Koon and Ms. Cheng Lo Yee.

* *For identification purpose only*