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)

UPDATE ANNOUNCEMENT – COMMENCEMENT OF LEGAL ACTION BY LUCKY FAMOUS LIMITED

References are made to (i) the announcement of Universe International Financial Holdings Limited (the "**Company**") dated 12 October 2015 in relation to the acquisition agreement dated 12 October 2015 (the "**Acquisition Agreement**") and entered into among Fragrant River Entertainment Culture (Holdings) Limited ("**Fragrant River**") as the purchaser, Very Easy Limited ("**Very Easy**") and City Link Consultancy Limited ("**City Link**") as the vendors, and Chan Sze Long and Lim Wah Elsa as the guarantors in relation to the acquisition of 51% equity interest in AP Group Investment Holdings Limited ("**AP Group**", together with its subsidiaries, the "**Target Group**"); (ii) the announcement of the Company dated 13 June 2016 in relation to the disposal agreement (the "**Disposal Agreement**") dated 13 June 2016 and entered into among Lucky Famous Limited ("**Lucky Famous**") as the purchaser, Fragrant River as the vendor and the Company as the guarantor in relation to the disposal of 51% equity interest in AP Group; (iii) the announcement of the Company dated 13 June 2018 in relation to the receipt of a demand letter (the "**Lucky Famous Demand Letter**") from Lucky Famous alleging the Target Group recorded a net loss of HK$189,799 based on its FY 2016 & FY 2017 Audited Accounts and demanding payment of HK$20,400,000 as the Adjustment Amount under the Disposal Agreement; and (iv) the announcement of the Company dated 22 June 2018 in relation to the issue of demand letters all dated 22 June 2018 to Very Easy, City Link, Chan Sze Long and Lim Wah Elsa, respectively (the "**Fragrant River Demand Letters**") demanding the payment of an amount of HK$20,400,000 as the Adjustment Amount under the Acquisition Agreement (the "**Fragrant River Claim**") to Fragrant River within seven (7) days from the date of the Fragrant River Demand Letters (all the above announcements collectively the "**Announcements**").

Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

In response to the Lucky Famous Demand Letter, Fragrant River and the Company have through the letter from their legal advisers dated 22 June 2018 stated that they would defend the purported claim of Lucky Famous for the payment of the Adjustment Amount under the Disposal Agreement as alleged by it.

On 16 July 2018, Lucky Famous as the plaintiff commenced HCA 1646 of 2018 at the Court of First Instance of the High Court of Hong Kong against Fragrant River as the 1st defendant and the Company as the 2nd defendant (the "**Lucky Famous Action**"). Lucky Famous claimed against Fragrant River and the Company for (a) the Adjustment Amount of HK$20,400,000; (b) interests; (c) costs; and (d) further and/or other reliefs.

Notwithstanding the Fragrant River Demand Letters, no payment of the Adjustment Amount under the Acquisition Agreement is received from any of Very Easy, City Link, Chan Sze Long or Lim Wah Elsa up to the date of this announcement.

The Company is in the course of seeking legal advice in respect of the Lucky Famous Action and any possible action that may be taken against Very Easy, City Link, Chan Sze Long and/or Lim Wah Elsa in respect of the Fragrant River Claim. The Company will keep the shareholders and potential investors of the Company informed of any further significant developments as and when appropriate.

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

Hong Kong, 18 July 2018

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. Choi Wing Koon, Mr. Lam Chi Keung, Mr. Tang Yiu Wing, Mr. Chong Ki Ming and Mr. Wong Cheuk Wai Jason.