UNIVERSAL HOLDINGS LIMITED
友利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

The board of directors of the Company refers to the joint announcement of Leaptek and Mogul on 8 October 2003. As at the date of this announcement, the Group holds approximately 17.15% of the entire issued ordinary share capital of Leaptek and approximately 99.83% of the Class 2 Preference Shares in issue. As described in the Announcement, Leaptek will implement the Scheme pursuant to which the Leaptek Shares and Class 2 Preference Shares held by the Group will be swapped into Newco Shares and Series B Preference Shares. Such Newco Shares and Series B Preference Shares which may be issued to the Group under the Scheme shall give the Group essentially the same rights and obligations and proportionate interest in Leaptek immediately after the Scheme becomes effective as those given by the Leaptek Shares and Class 2 Preference Shares immediately before the Scheme becomes effective.

The Company was also informed by Leaptek that Leaptek entered into the conditional Subscription Agreement on 8 October 2003, pursuant to which part of the net proceeds from the subscription will be used to redeem, among other things, the Series B Preference Shares. The Group has made full provision for its investment in such Class 2 Preference Shares as Leaptek has not been able to redeem such shares since 22 October 2001 (the redemption date). If the Series B Preference Shares are fully redeemed, the Group will recover approximately HK$24.2 million.

Mogul will make an unconditional mandatory cash offer to acquire all Newco Shares not already owned by it and its concert parties in accordance with the Takeovers Code as a result of the completion of the Subscription Agreement. If the Group accepts the possible general offer to be made by Mogul in full, it will receive approximately HK$1.3 million for the Newco Shares which will be issued to the Group under the Scheme.

Shareholders and potential investors should refer to the Announcement for further details of the Scheme and the Subscription Agreement. Shareholders and potential investors should note that completion of the Scheme and the transactions contemplated in the Subscription Agreement (including the proposed redemption of the Series B Preference Shares) are subject to fulfillment of a number of conditions set out in the Announcement and there is no certainty that the Scheme will become effective, the Series B Preference Shares will be redeemed, the Subscription Agreement will be completed and the general offer will be made by Mogul. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

The board of directors of the Company refers to the Announcement regarding, among other things, the Scheme and the Subscription Agreement entered into by, among others, Leaptek and Mogul on 8 October 2003. As at the date of this announcement, the Company, through Super China Development Limited which is a wholly-owned subsidiary of the Company, holds 127,289,300 Leaptek Shares, representing approximately 17.15% of the entire issued ordinary share capital of Leaptek, and 24,137,700 Class 2 Preference Shares representing approximately 99.83% of the Class 2 Preference Shares in issue.

THE SCHEME

As described in the Announcement, Leaptek will implement the Scheme pursuant to which, the listing status of the Leaptek Shares on the Stock Exchange will be withdrawn and the Newco Shares will be listed on the Stock Exchange. If the Scheme becomes effective, the Group will receive one Newco Share for every ten Leaptek Shares and one Series B Preference Share for every Class 2 Preference Shares held by it. Such Newco Shares and Series B Preference Shares which may be issued to the Group under the Scheme shall give the Group the same rights and obligations and proportionate interest in Leaptek immediately after the Scheme becomes effective as those given by the Leaptek Shares and Class 2 Preference Shares immediately before the Scheme becomes effective.

PROPOSED REDEMPTION OF PREFERENCE SHARES BY LEAPTEK

The Class 2 Preference Shares held by the Group fell due for redemption on 22 October 2001 at a redemption price of HK$1.00 per share. However, the Class 2 Preference Shares have not been redeemed because Leaptek has not been able to comply with the relevant Bermuda law requirement as to solvency which must be satisfied before such redemption may take place. As such, the Group has made full provision for such investment of approximately HK$18.3 million in its audited financial statements as at 31 December 2002.

The Company was informed by Leaptek that Leaptek entered into the Subscription Agreement, which is conditional on, among other things, the Scheme becoming effective, on 8 October 2003. As part of the proposal contemplated in the Subscription Agreement, it is proposed that the Series B Preference Shares be redeemed by Newco at a redemption price of HK$1.00 per share which is equivalent to the redemption price of the Class 2 Preference Shares. Newco will use the net proceeds from the subscription of ordinary and preference shares of Newco by Mogul under the Subscription Agreement to fund such redemption. Should the Subscription Agreement be completed and the Series B Preference Shares be fully redeemed by Newco, the Group will recover approximately HK$24.2 million from Leaptek.

POSSIBLE GENERAL OFFER FOR LEAPTEK SHARES BY MOGUL

As set out in the Announcement, a mandatory general offer obligation under Rule 26 of the Takeovers Code will be triggered by Mogul as a result of the completion of the Subscription Agreement. In accordance with the relevant requirements of the Takeovers Code and as contemplated in the Subscription Agreement, Somerley Limited will make, on behalf of Mogul, an unconditional mandatory cash offer to acquire all Newco Shares not already owned by Mogul and parties acting in concert with it at a cash price per Newco Share of HK$0.10 following completion of the Subscription Agreement. In the event the Group accepts the offer by Mogul in full, the Group will receive approximately HK$1.3 million cash for the Newco Shares it will receive pursuant to the Scheme. The Company has not made any decision as to whether it will accept the possible offer by Mogul as at the date of this announcement.

GENERAL

For further details of the Scheme, the Subscription Agreement, the proposed redemption of the Series B Preference Shares and the possible general offer to be made by Mogul, please refer to the Announcement.

Shareholders and potential investors should note that completion of the Scheme, the transactions contemplated in the Subscription Agreement (including the proposed redemption of the Series B Preference Shares) are subject to fulfillment of a number of conditions set out in the Announcement and there is no certainty that the Scheme will become effective, the Series B Preference Shares will be redeemed, the transactions contemplated in the Subscription Agreement will be completed and the general offer will be made by Mogul. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

"Announcement"	the joint announcement dated 8 October 2003 issued by Leaptek and Mogul
"Class 2 Preference Shares"	the 24,178,700 unlisted convertible cumulative non-voting preference shares of HK$1.00 each in the share capital of Leaptek issued on 23 October 1996
"Company"	Universal Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
"Group"	the Company and its subsidiaries
"Leaptek"	Leaptek Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
"Leaptek Shares"	ordinary share(s) of HK$0.01 each in the share capital of Leaptek
"Mogul"	Mogul Enterprises Limited, a company incorporated in British Virgin Islands with limited liability
"Newco"	L-Tek Holdings Limited a company incorporated in the Cayman Islands with limited liability for the purpose of the Scheme and, if the Scheme becomes effective, the holding company of Leaptek and whose Newco Shares are proposed to be listed on the main board of the Stock Exchange by way of introduction
"Newco Shares"	ordinary share(s) of HK$0.01 each in the share capital of Newco
"Scheme"	the redomicile proposal whereby Leaptek will become a wholly-owned subsidiary of Newco to be implemented by way of a scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda

"Series B Preference Shares"	the unlisted cumulative convertible non-voting preference shares of HK$1.00 each in the share capital of Newco to be issued to the holders of the Class 2 Preference Shares pursuant to the Scheme
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Agreement"	the conditional agreement dated 8 October 2003 entered into by, among others, Leaptek, Newco and Mogul in relation to, among other things, the subscription of ordinary shares and preference shares of Newco, redemption of Series B Preference Shares and a possible general offer to be made by Mogul

By Order of the Board
UNIVERSAL HOLDINGS LIMITED
Johnson Ko Chun Shun
Chairman

Hong Kong, 8 October 2003

Please also refer to the published version of this announcement in The Standard.