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## **UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED**

### **環球實業科技控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1026)**

### **DISCLOSEABLE & CONNECTED TRANSACTIONS**

#### **Proposed disposal of 17.49% equity interests in ECPAY to two connected persons**

#### **APPOINTMENT AND RESIGNATION OF EXECUTIVE DIRECTORS**

##### **DISCLOSEABLE AND CONNECTED TRANSACTIONS**

On 8 June 2012, after trading hours, eCommerce, a wholly-owned subsidiary of the Company, entered into (i) the Chiyi Agreement with Chiyi, pursuant to which eCommerce has conditionally agreed to dispose of 9.99% equity interests in ECPAY to Chiyi at a consideration of RMB12,765,500 (HK\$15,678,772.77); and (ii) the Beihai Shiji Agreement with Beihai Shiji, pursuant to which eCommerce has conditionally agreed to dispose of 7.5% equity interests in ECPAY to Beihai Shiji at a consideration of RMB36,750,000 (HK\$45,136,884.51). The completion of the Beihai Shiji Agreement is conditional upon completion of Chiyi Agreement, but completion of the Chiyi Agreement is not conditional upon completion of the Beihai Shiji Agreement.

ECPAY is an internet-based e-commerce service provider in the PRC. Upon completion of the Disposals, ECPAY will remain as a subsidiary of the Company and will be owned as to 67.51% by eCommerce, 9.99% by Chiyi and 22.5% by Beihai Shiji.

Chiyi is a connected person of the Company as Chiyi is owned as to 53.64% by Madam Luan Yumin, an executive Director.

Beihai Shiji is a connected person of the Company by virtue of its 15% existing equity interests in ECPAY, which is an indirect non-wholly owned subsidiary of the Company.

Accordingly, each of the Disposals constitutes a connected transaction for the Company.

As the applicable percentage ratios for the Disposals under the Listing Rules, after aggregation, are more than 5% and less than 25% and the total consideration is more than HK\$10,000,000, the Disposals constitute discloseable and connected transactions for the Company which are subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

A circular, containing, among other things, further particulars of the Disposals, the letter from the independent board committee and the advice from the independent financial adviser together with the notice convening the SGM will be dispatched to the Shareholders on or before 29 June 2012.

#### **APPOINTMENT AND RESIGNATION OF EXECUTIVE DIRECTORS**

The Board announces that Mr. Chen Runqiang was appointed as executive Director, and Mr. Liu Ruisheng resigned as executive Director with effect from 8 June 2012. Upon resignation of Mr. Liu, Mr. Xu Hui, an executive Director, will replace Mr. Liu to hold equity interests in eCommerce and Lanpu for and on behalf of the Company as nominee.

#### **CHIYI AGREEMENT**

##### **Date**

8 June 2012 (after trading hours)

##### **Parties**

Purchaser : 上海馳藝投資合夥企業(普通合夥)(Shanghai Chiyi Investment Partnership Enterprise (General Partnership)), a general partnership established under the PRC laws. It currently does not hold any equity interests in ECPAY.

Vendor : 上海環迅電子商務有限公司 (Universal eCommerce China Limited), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is currently a holder of 85% equity interests in ECPAY.

Chiyi is a connected person of the Company as Chiyi is owned as to 53.64% by Madam Luan Yumin, an executive Director. Accordingly, the Chiyi Agreement entered into between eCommerce and Chiyi is a connected transaction for the Company.

##### **Assets to be disposed**

9.99% equity interests in ECPAY

##### **Consideration and payment**

The consideration of RMB12,765,500 (HK\$15,678,772.77) is payable by Chiyi in cash within 15 days after obtaining the approval on the Chiyi Agreement and the transactions contemplated thereunder by the Independent Shareholders at the SGM.

The consideration was determined after arm's length negotiation between Chiyi and eCommerce with reference to the following factors (i) the business and financial performance of ECPAY; (ii) the prevailing price to earnings ratios of comparable listed companies of ECPAY in the PRC and Hong Kong; and (iii) the relative illiquidity of the equity interests in ECPAY as compared to the shares of those comparable listed companies, and taking into account (i) Chiyi is owned by ECPAY's employees; (ii) the equity transfer under the Chiyi Agreement is to provide incentive to ECPAY's employees who have provided significant contributions to ECPAY; and (iii) the undertakings of the ECPAY employees as set out in the paragraph headed "Undertakings of ECPAY's employees" below.

### **Completion**

The completion of the Chiyi Agreement is not conditional upon the completion of the Beihai Shiji Agreement.

The completion of Chiyi Agreement is conditional upon the obtaining of all necessary authorisation and approval on the Chiyi Agreement and the transactions contemplated thereunder as required by applicable laws and regulations (including the approval of the Independent Shareholders at the SGM).

### **Other terms**

The parties will bear their own respective costs and expenses arising from the preparation, negotiation, and execution of the Chiyi Agreement, while ECPAY will bear the costs and expenses arising from the registration of the changes in shareholders of ECPAY with the SAIC.

### **UNDERTAKINGS OF ECPAY'S EMPLOYEES**

As part of the incentive scheme under the Chiyi Agreement, each of the owners of Chiyi has given an undertaking to remain in service with ECPAY for not less than three additional years. During this three-year period, each of them undertakes not to dispose any of his/her interests in Chiyi. Should any of such owners does not remain in service with ECPAY for whatever reasons within this three-year period, eCommerce has a right to nominate a party (not being any members of the Group) to acquire his/her attributable interests in ECPAY at a consideration determined with reference to the audited net asset value of ECPAY as at the year end of the then preceding financial year (inclusive of any dividends declared to him/her during the then preceding financial year and the then current financial year). For the specific situations where such owner is terminated pursuant to Article 39 of the PRC Labour Contract Law, such owner is only entitled to receive part of the consideration which shall not be more than the sum of the original acquisition cost and the return that such owner would obtain based on the then prevailing floating deposit rate as determined by People's Bank of China, with the remaining consideration (if any) to be paid to a party as nominated by eCommerce. The majority owners of Chiyi which hold 10% or more interests in Chiyi, including Madam Luan Yumin, our executive Director, has given an additional undertaking to transfer not less 30% of their equity interests in Chiyi to other ECPAY's employees as determined by ECPAY as incentive within the three-year period.

## **BEIHAI SHIJI AGREEMENT**

### **Date**

8 June 2012 (after trading hours)

### **Parties**

**Purchaser** : 北海石基信息技術有限公司 (Beihai Shiji Information Technology Co., Ltd.), a company incorporated in the PRC with limited liability. It is currently a holder of 15% equity interests in ECPAY.

**Vendor** : 上海環迅電子商務有限公司 (Universal eCommerce China Limited), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is currently a holder of 85% equity interests in ECPAY.

Beihai Shiji is a connected person of the Company by virtue of its 15% existing equity interests in ECPAY, which is an indirect non-wholly owned subsidiary of the Company. Accordingly, the Beihai Shiji Agreement entered into between eCommerce and Beihai Shiji is a connected transaction for the Company.

### **Assets to be disposed**

7.5% equity interests in ECPAY

### **Consideration and payment**

The consideration of RMB36,750,000 (HK\$45,136,884.51) is payable by Beihai Shiji in cash within 15 days after obtaining the approval on the Beihai Shiji Agreement and the transactions contemplated thereunder by the Independent Shareholders at the SGM.

The consideration was determined after arm's length negotiation between Beihai Shiji and eCommerce with reference to the following factors (i) the business and financial performance of ECPAY; (ii) the prevailing price to earnings ratios of comparable listed companies of ECPAY in the PRC and Hong Kong; (iii) the relative illiquidity of the equity interests in ECPAY as compared to the shares of those comparable listed companies; and (iv) the incentive scheme adopted by ECPAY which encourages the key employees to devote themselves to serve ECPAY.

### **Completion**

The completion of the Beihai Shiji Agreement is conditional upon the completion of the Chiyi Agreement.

The completion of Beihai Shiji Agreement is also conditional upon the obtaining of all necessary authorisation and approval on the Beihai Shiji Agreement and the transactions contemplated thereunder as required by applicable laws and regulations (including the approval of the Independent Shareholders at the SGM).

## Other terms

Beihai Shiji, as an equity owner of ECPAY, acknowledges that, in order to provide incentive to ECPAY's employees, eCommerce will transfer 9.99% equity interests to Chiyi (which is held by ECPAY's employees) under the Chiyi Agreement and agrees to waive any pre-emptive rights in respect of such transfer.

Upon the registration of the changes in shareholders of ECPAY with the SAIC, the full settlement of the consideration and the completion of the Beihai Shiji Agreement, Beihai Shiji is entitled to appoint one director to the board of ECPAY immediately thereafter and appoint the assistant finance manager to ECPAY three years thereafter.

The parties agree that, subject to shareholders' approval, the annual dividends payout ratio of ECPAY should not be less than 15% of its distributable profits as permitted by laws.

The parties will bear their own respective costs and expenses arising from the preparation, negotiation, and execution of the Beihai Shiji Agreement, while ECPAY will bear the costs and expenses arising from the registration of the changes in shareholders of ECPAY with the SAIC.

## INFORMATION ON ECPAY

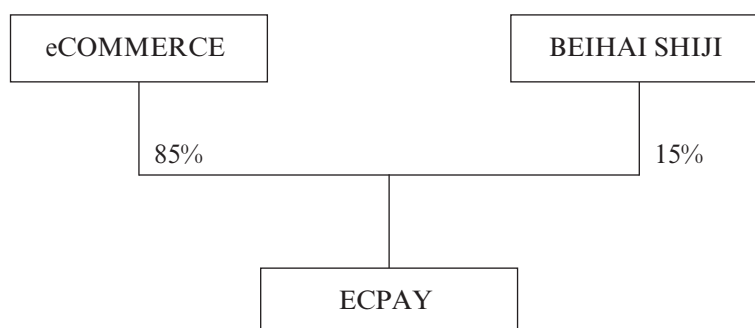
ECPAY is an internet-based e-commerce service provider in the PRC. The e-commerce service industry has become fiercely competitive in recent years, driving the obvious trends for enterprises to upgrade their services and expand their scales. In order to enlarge its market share and enhance its competitive edges, ECPAY will, in addition to providing more value-added services to its existing customers, consider opportunities to specialise in some specific fields, including the education industry as well as the hotel and catering industry which Beihai Shiji specialises in, with a goal to attain a leading market position in these specific fields.

The audited financial information of ECPAY prepared on basis consistent with generally accepted accounting practices and principles in the PRC are set out as below:

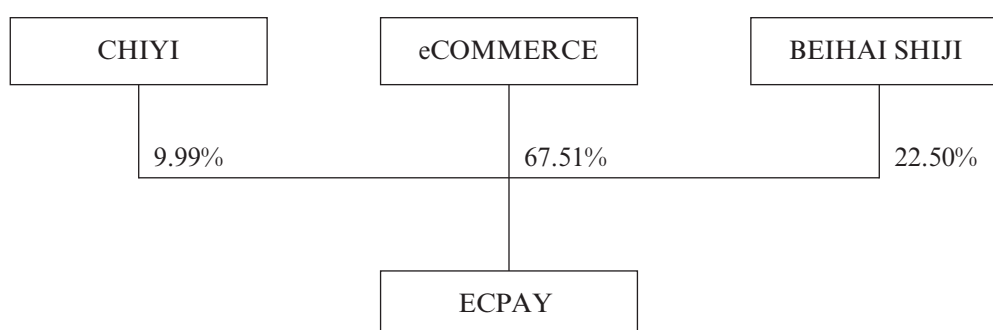
|  | For the year ended<br>31 December 2010<br>or as at<br>31 December 2010 | For the year ended<br>31 December 2011<br>or as at<br>31 December 2011 |
|--|--|--|
| Net profits/(loss) (before taxation and extraordinary items) | (RMB243,890.33)  | <b>RMB23,680,653.36</b>  |
| Net profits/(loss) (after taxation and extraordinary items)  | (RMB243,890.33)  | <b>RMB23,680,653.36</b>  |
| Net assets   | RMB104,102,544.15  | <b>RMB127,783,197.51</b>   |

Upon completion of the Disposals, ECPAY will remain a subsidiary of the Company and its results will continue to be consolidated into the Group's financial results.

At the date of this announcement, the simplified shareholding structure of ECPAY is set out below:



Upon completion of the Disposals, the simplified shareholding structure of ECPAY is set out below:



## USE OF PROCEEDS

As the Group will still retain control over ECPAY after the Disposals, the Company does not expect to record any gain or loss in its consolidated income statement for the current financial year ending 31 December 2012. After deducting estimated expenses of approximately HK\$1,000,000, the net proceeds from the Disposals are estimated to be approximately RMB48,701,310 (HK\$59,815,657.28) and will be utilized as general working capital for the Group.

## REASONS FOR THE DISPOSALS

The Group is principally engaged in investment holding, provision of payment solution and related services, timber trading and furniture manufacturing, system integration and technical platform services, property investment and building management.

The payment solutions business is the largest business segment of the Group, which contributes approximately 84% of the Company's turnover for the year ended 31 December 2011. In the same financial year, the payment solutions business recorded a tremendous growth of approximately 111% increase in segment revenue. However, as a result of the macro economic downturn, the payment solutions business in Hong Kong was modulated since the second half of 2011 and thus the segment revenue of the payment solutions business for the financial year 2012 might be adversely affected. For details, please refer to the Company's profit warning announcement dated 24 May 2012.

Being one of the important components of the payment solution business of the Group, ECPAY is an internet-based e-commerce service provider in the PRC. The e-commerce service industry has become fiercely competitive in recent years, driving the obvious trends for enterprises to upgrade their services and expand their scales. In order to enlarge its market share and enhance its competitive edges, ECPAY will, in addition to providing more value-added services to its existing customers, consider opportunities to specialise in some specific fields, including the education industry as well as the hotel and catering industry which Beihai Shiji specialises in, with a goal to attain a leading market position in these specific fields. In order to further strengthen the internet-based e-commerce services in the PRC, the Company therefore proposes to implement the Disposals.

The ECPAY's employees who own Chiyi have made significant contributions to ECPAY. In order to provide incentive to these valuable employees, eCommerce therefore proposes to transfer 9.99% equity interest in ECPAY to Chiyi.

On the other hand, Beihai Shiji has been an equity holder of ECPAY and their leading position in the hotel and catering industry in the PRC could assist ECPAY in exploring opportunities for e-commerce services for the hotel and catering industry in the PRC. eCommerce therefore proposes to transfer an additional 7.5% equity interests in ECPAY to Beihai Shiji with a view to increasing Beihai Shiji's stake in ECPAY, thereby deepening the cooperative relationship between eCommerce and Beihai Shiji as well as fostering the sustainable development of ECPAY.

In view of the above, the Directors are of the view that the terms of the Disposals including their respective consideration are fair and reasonable so far as the Shareholders are concerned and the Disposals are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF CHIYI & BEIHAI SHIJI**

Chiyi is a general partnership established under the PRC laws. It is established by ECPAY's employees to hold their interests in ECPAY.

Beihai Shiji is a wholly-owned subsidiary of Beijing Shiji Information Technology Co., Ltd. ("**Beihai Shiji Parent**"), which is listed on the Shenzhen Stock Exchange. Beihai Shiji Parent is principally engaged in the development and sale of the applied software for hotel and catering information system.

## **GENERAL**

Madam Luan Yumin, an executive Director, who is interested in the Disposals, has abstained from voting in respect of the relevant board resolutions to approve the Disposals.

Considering that each of the Disposals are agreed on the same day and involves disposals of equity interests in the same entity by the Group, each of the Disposals will be aggregated under Rule 14A.25 of the Listing Rules.

As the applicable percentage ratios for the Disposals under the Listing Rules, after aggregation, are more than 5% and less than 25% and the total consideration is more than HK\$10,000,000, the Disposals constitute discloseable and connected transactions for the Company which are subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

A circular, containing, among other things, further particulars of the Disposals, the letter from the independent board committee and the advice from the independent financial adviser together with the notice convening the SGM will be dispatched to the Shareholders on or before 29 June 2012.

#### **APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board announces that Mr. Chen Runqiang was appointed as executive Director with effect from 8 June 2012. Details of Mr. Chen Runqiang are set out below.

**Mr. Chen Runqiang**, aged 45, is an executive Director. He is a businessman with plenty of experience in the PRC and he engages in property development and leasing in the PRC.

Mr. Chen does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He did not hold any other directorship in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas. Mr. Chen is interested in share options to subscribe for 6,000,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Chen does not hold any other position with the Company or any of its subsidiaries.

Mr. Chen is entitled to monthly salary of HK\$5,000 and a discretionary bonus to be determined by the Board. Mr. Chen is appointed for a term of 2 years commencing from 8 June 2012 and subject to renewal and retirement by rotation and re-election pursuant to the Articles. He will hold office until the next following general meeting of the Company and shall be eligible for re-election in accordance with the Articles. Thereafter, he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles.

Save as disclosed above, there are no other matters concerning Mr. Chen's appointment that need to be brought to the attention of the shareholders of the Company nor any information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board would like to take this opportunity to express its warmest welcome to Mr. Chen for taking up the appointment.

#### **RESIGNATION OF EXECUTIVE DIRECTOR**

The Board announces that Mr. Liu Ruisheng resigned as executive Director with effect from 8 June 2012 due to his health reasons.

eCommerce, a wholly-owned subsidiary, is held as to 10.2% by Mr. Liu, 9.8% by Madam Luan Yumin, an executive Director, and 80% by Lanpu. Lanpu is in turn held as to 51% by Mr. Liu and 49% by Madam Luan. Mr. Liu, Madam Luan and Lanpu held all their equity interests in eCommerce and/or Lanpu for and on behalf of the Company as nominees. Upon the resignation of Mr. Liu, Mr. Xu Hui, an executive Director, will replace Mr. Liu to hold such equity interests in eCommerce and Lanpu for and on behalf of the Company as nominee.

Mr. Liu has confirmed that he has no disagreement with the Board and he is not aware of any matter relating to his resignation that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to thank Mr. Liu for his valuable contributions to the Company during his tenure of office.

## DEFINITIONS

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

|                            |   |
|----------------------------|---|
| “Articles”                 | the articles of association of the Company;   |
| “Beihai Shiji”             | 北海石基信息技術有限公司 (Beihai Shiji Information Technology Co., Ltd.), a company incorporated in the PRC with limited liability;   |
| “Beihai Shiji Agreement”   | the agreement dated 8 June 2012 entered into between Beihai Shiji (as purchaser) and eCommerce (as seller) in respect of the sale and purchase of the 7.5% equity interests in ECPAY; |
| “Board”                    | the board of Directors;   |
| “Chiyi”                    | 上海馳藝投資合夥企業(普通合夥)(Shanghai Chiyi Investment Partnership Enterprise (General Partnership)), a general partnership established under the PRC laws;                                       |
| “Chiyi Agreement”          | the agreement dated 8 June 2012 entered into between Chiyi (as purchaser) and eCommerce (as seller) in respect of the sale and purchase of the 9.99% equity interests in ECPAY;       |
| “Company”                  | Universal Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;                |
| “connected person”         | has the meaning ascribed to it under the Listing Rules;   |
| “Directors”                | the directors of the Company;   |
| “Disposals”                | the proposed disposals of 9.99% and 7.5% equity interests in ECPAY by eCommerce to Chiyi and Beihai Shiji pursuant to Beihai Shiji Agreement and Chiyi Agreement respectively;        |
| “eCommerce”                | 上海環迅電子商務有限公司 (Universal eCommerce China Limited), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;                              |
| “ECPAY”                    | 迅付信息科技有限公司 (Universal ECPAY Limited), a company incorporated in the PRC with limited liability;   |
| “Group”                    | the Company and its subsidiaries;   |
| “Hong Kong”                | the Hong Kong Special Administrative Region of the People’s Republic of China;  |
| “Independent Shareholders” | the Shareholders that are not required to abstain from voting under the Listing Rules if a general meeting is convened to approve the Disposals;                                      |
| “Lanpu”                    | 上海藍普信息科技有限公司 (Shanghai Lanpu Information Technology Co., Ltd.) a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;                 |

|                                      |  |
|--------------------------------------|--|
| <b>“Listing Rules”</b>               | the Rules Governing the Listing of Securities on the Stock Exchange;   |
| <b>“PRC”</b>                         | The People’s Republic of China;  |
| <b>“SAIC”</b>                        | State Administration for Industry & Commerce of the PRC;   |
| <b>“SGM”</b>                         | the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Disposals; |
| <b>“Shareholders”</b>                | the holders of the Shares;   |
| <b>“Shares”</b>                      | the ordinary shares of HK\$0.01 each in the capital of the Company;  |
| <b>“Stock Exchange”</b>              | The Stock Exchange of Hong Kong Limited;   |
| <b>“subsidiary”</b>                  | having the meaning as ascribed to it under the Listing Rules;  |
| <b>“HK\$” or “Hong Kong Dollars”</b> | Hong Kong dollars, the lawful currency of Hong Kong;   |
| <b>“RMB”</b>                         | Renminbi, the lawful currency of the PRC; and  |
| <b>“%”</b>                           | percent.   |

By Order of the Board of  
**UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED**  
**Lau Yeung Sang**  
*Chairman*

Hong Kong, 8 June 2012

As at the date of this announcement, the Board comprises the following members:

*Executive Directors*

Mr. Lau Yeung Sang (*Chairman*)  
Mr. Xu Hui (*Chief Executive Officer*)  
Mr. Chen Runqiang  
Madam Luan Yumin  
Mr. Chang Hung Lun

*Non-Executive Director*

Mr. Chow Cheuk Lap

*Independent Non-Executive Directors*

Mr. Meng Lihui  
Mr. Fong Heung Sang  
Dr. Cheung Wai Bun, Charles, *J.P.*

*Unless otherwise specified in this announcement and for illustration purpose only, RMB is translated into HK\$ at the rate of HK\$1.00 = RMB0.81419. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.*