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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)

FINAL RESULT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

HIGHLIGHTS OF THE YEAR

— Turnover for the year ended 31 December 2014 amounted to HK$317.15 million (2013: HK$189.85 million), representing an increase of 67% over the last fiscal year. The increase in turnover is mainly due to increase in revenue of the Group's payment solutions business.

— Net profit attributable to shareholders of the Company for the year ended 31 December 2014 was HK$32.69 million (2013: Net loss attributable to shareholders of the Company of HK$34.09 million), representing an increase of 196% over the last fiscal year. Profit for the year of the Group is mainly due to the gain on disposal of subsidiaries in the major transaction.

— Basic and diluted earnings per share for the year ended 31 December 2014 amounted to HK1.58 cent and HK1.58 cent respectively (2013: Basic and diluted losses per share of HK1.78 cent and HK1.78 cent respectively).

— The Board of Directors does not recommend payment of any dividend for the year ended 31 December 2014 (2013: HK$Nil).

RESULTS

The Board of Directors (the "Board") of the Company hereby announces the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2014 together with the comparative audited figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Note	**2014** *HK$'000*	2013 *HK$'000*
Turnover	3	**317,148**	189,847
Cost of sales/services rendered		**(30,646)**	(38,458)
Gross profit		**286,502**	151,389
Other revenue	3	**12,536**	15,728
Other income	4	**7,999**	6,560
General and administrative expenses		**(294,021)**	(178,886)
Profit/(loss) from operations		**13,016**	(5,209)
Gain on a bargain purchase		**10**	—
Increase in fair value of investment properties		**126**	6,996
Impairment loss on goodwill		**—**	(3,468)
Impairment loss on debtors		**(923)**	(1,704)
Impairment loss on other receivables		**(994)**	(5,931)
Impairment loss on intangible assets		**(8,796)**	—
Gain on disposals of subsidiaries		**46,224**	—
Share of results of an associate		**256**	(444)
Finance costs	5(a)	**(760)**	(4,586)
Profit/(loss) before income tax	5	**48,159**	(14,346)
Income tax expense	7	**(10,425)**	(10,519)
Profit/(loss) for the year		**37,734**	(24,865)
Attributable to:-			
Shareholders of the Company		**32,694**	(34,085)
Non-controlling interests		**5,040**	9,220
Profit/(loss) for the year		**37,734**	(24,865)
Earnings/(losses) per share (in cents)			
Basic	9	**1.58**	(1.78)
Diluted	9	**1.58**	(1.78)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
Profit/(loss) for the year		**37,734**	(24,865)
Other comprehensive (loss)/income:-			
Items that may be reclassified subsequently to profit or loss:-			
Exchange differences arising on translation of financial statements of subsidiaries established in the People's Republic of China		**(10,964)**	13,382
Other comprehensive (loss)/income for the year, net of tax		**(10,964)**	13,382
Total comprehensive income/(loss) for the year		**26,770**	(11,483)
Total comprehensive income/(loss) attributable to:-			
Shareholders of the Company		**22,060**	(22,230)
Non-controlling interests		**4,710**	10,747
		26,770	(11,483)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**37,986**	53,888
Prepaid land lease premium		**9,406**	42,317
Investment properties		**32,539**	166,274
Intangible assets		**4,250**	18,443
Goodwill		**77,097**	76,402
Interest in an associate		**—**	270
Other investment		**—**	12,683
Deferred tax assets	8(a)	**146**	—
Loan to an officer	12	**12,362**	—
Other receivables	11	**5,037**	4,566
		178,823	374,843
CURRENT ASSETS			
Inventories		**1,502**	36,713
Debtors	10	**65,656**	128,003
Deposits, prepayments and other receivables	11	**213,336**	30,412
Financial assets at fair value through profit or loss		**221**	1,794
Prepaid land lease premium		**300**	1,238
Tax recoverable		**—**	1,153
Fixed deposits		**338,087**	—
Cash and bank balances		**512,223**	592,079
		1,131,325	791,392
DEDUCT:			
CURRENT LIABILITIES			
Bank overdraft, unsecured		**—**	4,241
Payable to merchants	13	**422,875**	364,189
Deposits received, sundry creditors and accruals		**104,207**	100,016
Amount due to a related company	14	**14,350**	—
Tax payable		**11,057**	6,170
		552,489	474,616
NET CURRENT ASSETS		**578,836**	316,776

	Note	**2014**	2013
		HK$'000	*HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		**757,659**	691,619
DEDUCT:			
NON-CURRENT LIABILITY			
Deferred tax liability	8(a)	**1,401**	17,350
NET ASSETS		**756,258**	674,269
REPRESENTING:-			
CAPITAL AND RESERVES			
Share capital		**20,705**	20,705
Reserves		**533,972**	598,359
		554,677	619,064
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
NON-CONTROLLING INTERESTS		**201,581**	55,205
TOTAL EQUITY		**756,258**	674,269

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to shareholders of the Company												
	Share capital	**Share premium**	**Capital redemption reserve**	**Capital reserve**	**Special reserve**	**Exchange reserve**	**Share options reserve**	**Statutory reserve**	**Other reserve**	**Retained profits**	**Total**	**Non-controlling interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1.1.2013	17,396	303,110	481	1,093	10,754	6,716	4,556	16,008	28,407	62,064	450,585	44,458	495,043
Equity settled share-based transactions	—	—	—	—	—	—	4,796	—	—	—	4,796	—	4,796
Transferred to retained profits	—	—	—	—	—	—	(76)	—	—	76	—	—	—
Shares issued under share option scheme	1,389	80,428	—	—	—	—	(4,480)	—	—	—	77,337	—	77,337
Shares issued under placing	1,920	106,656	—	—	—	—	—	—	—	—	108,576	—	108,576
Total comprehensive income/(loss) for the year	—	—	—	—	—	11,855	—	—	—	(34,085)	(22,230)	10,747	(11,483)
Transferred to statutory reserve	—	—	—	—	—	—	—	5,895	—	(5,895)	—	—	—
At 31.12.2013 and 1.1.2014	20,705	490,194	481	1,093	10,754	18,571	4,796	21,903	28,407	22,160	619,064	55,205	674,269
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	604	604
Change in ownership interests in a subsidiary that do not result in a loss of control	—	—	—	—	—	—	—	—	(86,447)	—	(86,447)	141,062	54,615
Total comprehensive (loss)/income for the year	—	—	—	—	—	(10,634)	—	—	—	32,694	22,060	4,710	26,770
Transferred to statutory reserve	—	—	—	—	—	—	—	4,044	—	(4,044)	—	—	—
At 31.12.2014	**20,705**	**490,194**	**481**	**1,093**	**10,754**	**7,937**	**4,796**	**25,947**	**(58,040)**	**50,810**	**554,677**	**201,581**	**756,258**

Notes

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 27 March 2001 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands. The address of the registered office was changed from Units 601–608, 6/F, Harbour View Two, Phase Two, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong to Room A & B2, 11/F, Guangdong Investment Tower, No. 148 Connaught Road Central, Sheung Wan, Hong Kong on 5 March 2015.

Pursuant to the reorganisation to rationalise the structure of the Company and its subsidiaries in the preparation for the listing of the Company's shares on The Growth Enterprise Market ("GEM") operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in October 2001, the Company became the holding company of the companies now comprising the Group. The shares of the Company were listed on GEM on 26 October 2001.

On 22 June 2010, the listing of shares of the Company was transferred to the Main Board of the Stock Exchange.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Initial application of Hong Kong Financial Reporting Standards

In the current year, the Group initially applied the following Hong Kong Financial Reporting Standards:-

HK(IFRIC)-Int 21	Levies
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to HKFRS 10	Investment Entities
Annual improvements to HKFRSs (2010–2012)	Amendments to HKFRS 2 and HKFRS 3

The initial application of these financial reporting standards does not necessitate material changes in the Group's accounting policies and retrospective adjustments of the comparatives presented in the consolidated financial statements.

(b) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards in issue at 31 December 2014 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2014:-

HKFRS 9 (2014)	Financial Instruments
HKFRS 14	Regulatory Deferral Accounts
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Bearer Plants
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Annual improvements to HKFRSs (2010–2012)	Amendments to HKFRS 8, HKAS 16, HKAS 24 and HKAS 38
Annual improvements to HKFRSs (2011–2013)	Amendments to HKFRS 3, HKFRS 13 and HKAS 40
Annual improvements to HKFRSs (2012–2014)	Amendments to HKFRS 5, HKFRS 7 and HKAS 19

The Group is required to initially apply these standards and amendments in its annual consolidated financial statements beginning on 1 January 2016, except that the Group is required to initially apply amendments to HKAS 19, Annual Improvements (2010–2013) and Annual Improvements (2011–2013) in its annual consolidated financial statements beginning on 1 January 2015, and to initially apply HKFRS 15 and HKFRS 9 (2014) in its annual consolidated financial statements beginning on 1 January 2017 and 2018 respectively. HKFRS 14 is not applicable to the Group.

3. TURNOVER AND OTHER REVENUE

The Group is principally engaged in investment holding, provision of payment solutions and related services, timber trading and furniture manufacturing, system integration and technical platform services, property investment and building management. Turnover for the year represents revenue recognised from the provision of payment handling income net of tax, the net invoiced value of goods sold and rental and building management service income. An analysis of the Group's turnover and other revenue is set out below:-

	2014	2013
	HK$'000	*HK$'000*
Payment solutions and related services income	**279,900**	151,618
Timber trading and furniture manufacturing	**34,195**	35,216
Rental and building management service income	**3,053**	3,013
Turnover	**317,148**	189,847
Interest on bank deposits	**8,490**	8,092
Other interest income	**247**	72
Government subsidy	**3,691**	7,539
Dividend income	**108**	25
Other revenue	**12,536**	15,728
Total revenue	**329,684**	205,575

4. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
Gain on disposal of financial assets	**1,377**	790
Gain on change in fair value of financial assets	**101**	—
Reversal of written off of inventories	**496**	—
Exchange gain	**5,979**	4,768
Others	**46**	1,002
	7,999	6,560

5. PROFIT/(LOSS) BEFORE INCOME TAX

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss) before income tax is arrived at after charging/(crediting):-		
(a) Finance costs		
Interest on bank loan wholly repayable within five years	**—**	2,552
Interest on bank overdraft	**72**	204
Bank charges	**688**	1,830
	760	4,586
(b) Other items		
Auditor's remuneration		
— Audit services	**671**	675
— Other services	**200**	—
	871	675
Cost of inventories sold	**27,119**	36,620
Staff costs (including directors' remuneration)		
— Salaries and other benefits	**134,120**	100,647
— Pension scheme contributions	**18,110**	13,157
— Equity settled share-based payment expenses	**—**	4,796
	152,230	118,600
Depreciation	**29,976**	18,071
Impairment loss on debtors	**923**	1,704
Impairment loss on other receivables	**994**	5,931
Impairment loss on goodwill	**—**	3,468
Impairment loss on intangible assets	**8,796**	—
Write-down of inventories	**3,470**	1,614
Amortisation of prepaid land lease premium	**1,240**	1,223
Amortisation of intangible assets	**4,764**	650
(Gain)/loss on change in fair value of financial assets	**(101)**	724
Minimum operating lease rentals	**15,798**	9,772
Sale proceeds of property, plant and equipment	**(2,611)**	(61)
Less: Carrying amounts of property, plant and equipment	**4,634**	4,578
Loss on disposal of property, plant and equipment	**2,023**	4,517
Gain on disposal of financial assets	**(1,377)**	(790)
Rental income less outgoings	**(2,393)**	(2,516)

6. SEGMENT REPORTING

(a) Payment solutions

This segment primarily derives its revenue from the provision of payment solutions and ongoing technical support services to customers in the PRC, Hong Kong and overseas. Currently the Group's activities in this regard are carried out in the PRC, Hong Kong and overseas.

(b) Timber trading and furniture manufacturing

This segment engaged in trading of timber and manufacturing of furniture to customers in the PRC. Currently the Group's activities in this regard are carried out in the PRC.

(c) System integration and technical platform services

This segment engaged in provision of system integration and technical platform services to customers in the PRC. Currently the Group's activities in this regard are carried out in the PRC.

(d) Industry park

This segment engaged in development and management of e-commerce, financial and resources industry parks where enterprise cluster of the same industry chain are integrated. The services for enterprise in industry parks include property leasing, property sales, facilities maintenance, processing efficiency improvement and management related consulting, supporting and outsourcing. Currently the Group's activities in this regard are carried out in the PRC.

Others include supporting units of Hong Kong operation and the net result of other subsidiaries in Hong Kong and the PRC. These operating segments have not been aggregated to form a reportable segment.

The key management assesses the performance of the segments based on the results, assets and liabilities attributable to each reportable segment on the following basis:-

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment assets and liabilities excluded deferred tax assets, financial assets at fair value through profit or loss, deferred tax liability and other corporate assets and liabilities.

The measure used for reporting segment profit is "adjusted EBIT", i.e. "adjusted earnings before interest and taxes", where "interest" is regarded as including investment income. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments such as share of results of an associate.

(a) Segments results, assets and liabilities

The following tables present the information for the Group's reporting segments:-

	Payment solutions		Timber trading and furniture manufacturing		System integrating and technical platform services		Industry park		Others		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue												
Revenue from external customers	**279,900**	151,618	**34,195**	35,216	**—**	—	**3,053**	3,013	**—**	—	**317,148**	189,847
Other revenue	**11,436**	12,571	**535**	397	**253**	2,044	**141**	394	**171**	322	**12,536**	15,728
Total revenue	**291,336**	164,189	**34,730**	35,613	**253**	2,044	**3,194**	3,407	**171**	322	**329,684**	205,575
Reportable segment profit/(loss)	**56,147**	35,090	**(7,001)**	(9,801)	**(3,760)**	(7,190)	**(16,462)**	(8,855)	**(28,444)**	(30,181)	**480**	(20,937)
Interest on bank deposits											**8,490**	8,092
Other interest income											**247**	72
Government subsidy											**3,691**	7,539
Dividend income											**108**	25
Profit/(loss) from operations											**13,016**	(5,209)
Gain on bargain purchase											**10**	—
Increase in fair value of investment properties											**126**	6,996
Impairment loss on goodwill	**—**	—	**—**	(3,402)	**—**	—	**—**	—	**—**	(66)	**—**	(3,468)
Impairment loss on debtors	**(858)**	(1,630)	**(65)**	(74)	**—**	—	**—**	—		—	**(923)**	(1,704)
Impairment loss on other receivables											**(994)**	(5,931)
Impairment loss on intangible assets											**(8,796)**	—
Gain on disposal of subsidiaries											**46,224**	—
Share of results of an associate											**256**	(444)
Finance costs											**(760)**	(4,586)
Profit/(loss) before income tax											**48,159**	(14,346)
Income tax expense											**(10,425)**	(10,519)
Profit/(loss) for the year											**37,734**	(24,865)
Attributable to:												
— Shareholders of the Company											**32,694**	(34,085)
— Non-controlling interests											**5,040**	9,220
											37,734	(24,865)

(b) Geographical information

	PRC		Hong Kong/overseas		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**315,598**	186,931	**1,550**	2,916	**317,148**	189,847
Other revenue	**12,347**	15,382	**189**	346	**12,536**	15,728
Total revenue	**327,945**	202,313	**1,739**	3,262	**329,684**	205,575
Non-current assets	**122,261**	362,981	**56,416**	11,862	**178,677**	374,843

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets (excluding deferred tax assets) is based on the physical location of the assets, in the case of property, plant and equipment, investment properties and prepaid land lease premium, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operation, in the case of interest in an associate, other investment, loan to an officer and other receivables.

7. INCOME TAX EXPENSE

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits for the year.

The Company's subsidiaries operating in the PRC are subject to the tax rate at 25% (2013: 25%).

During the year, certain subsidiaries in the PRC are entitled to preferential tax treatments. Certain subsidiaries are entitled to tax concessions whereby the profit for the first two financial years beginning with the first profit-making year is exempted from income tax in the PRC and the profit for each of the subsequent three years is taxed at 50% of the applicable tax rate ("Five-year tax holiday"). Other subsidiaries in the PRC did not generate any assessable profits subject to Mainland China corporate income tax.

(b) The income tax expense represents the sum of the current tax and deferred tax and is made up as follows:-

	2014	2013
	HK$'000	*HK$'000*
Current tax:-		
Current year	**9,931**	5,851
Under-provision in respect of previous year	**608**	2,919
	10,539	8,770
Deferred taxation *(Note 8(a))*:-		
Current year	**(114)**	1,749
	10,425	10,519

(c) The income tax expense for the year can be reconciled to the profit/(loss) per consolidated statement of profit or loss as follows:-

	Hong Kong		PRC		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
(Loss)/profit before income tax	**(436)**	(33,349)	**48,595**	19,003	**48,159**	(14,346)
Applicable tax rate (%)	**16.5**	16.5	**25**	25	**N/A**	N/A
Tax on (loss)/profit before income tax, calculated at the applicable tax rate	**(72)**	(5,502)	**12,149**	4,751	**12,077**	(751)
Tax effect of non-deductible expenses in determining taxable profit	**702**	1,473	**2,844**	9,223	**3,546**	10,696
Tax effect of non-taxable revenue in determining taxable profit	**(8,607)**	(761)	**(1,243)**	(1,363)	**(9,850)**	(2,124)
Tax effect of unrecognised accelerated depreciation allowances	**(241)**	170	**(199)**	(405)	**(440)**	(235)
Tax effect of unrecognised tax losses	**8,218**	4,620	**4,011**	3,352	**12,229**	7,972
Tax effect on tax free concession	**—**	—	**(7,745)**	(7,958)	**(7,745)**	(7,958)
Under-provision in respect of previous year	**—**	111	**608**	2,808	**608**	2,919
Income tax expense	**—**	111	**10,425**	10,408	**10,425**	10,519

8. DEFERRED TAXATION

(a) The following is deferred tax assets/(liability) recognised by the Group and movements hereon during the current year and prior year:-

	Impairment loss on debtors	Accelerated depreciation allowances of property, plant and equipment and revaluation of investment properties	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1.1.2013	—	(15,072)	(15,072)
Charged to profit or loss — *Note 7(b)*	—	(1,749)	(1,749)
Exchange adjustments	—	(529)	(529)
At 31.12.2013 and 1.1.2014	—	(17,350)	(17,350)
Acquisition of a subsidiary	—	(574)	(574)
Disposals of subsidiaries	—	16,452	16,452
Credited/(charged) to profit or loss — *Note 7(b)*	146	(32)	114
Exchange adjustments	—	103	103
At 31.12.2014	**146**	**(1,401)**	**(1,255)**

Represented by:-

	2014	2013
	HK$'000	*HK$'000*
Deferred tax assets	**146**	—
Deferred tax liability	**(1,401)**	(17,350)
	(1,255)	(17,350)

(b) The components of unrecognised deductible/(taxable) temporary difference of the Group are as follows:-

	2014	2013
	HK$'000	*HK$'000*
Deductible temporary difference — *note (i)*		
Unutilised tax losses	**144,772**	100,273
Taxable temporary difference — *note (ii)*		
Accelerated tax allowances	**(569)**	(99)
	144,203	100,174

Notes:-

(i) Deductible temporary difference has not been recognised in these consolidated financial statements owing to the absence of objective evidence in respect of availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences. Included in unrecognised tax losses are losses of HK$24,225,000 (2013: HK$24,853,000) that will expire within five years from the date of incurrence. Other losses can be carried forward indefinitely.

(ii) Taxable temporary difference has not been recognised in these consolidated financial statements owing to its immateriality.

9. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share for the year is based on the following data:-

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss)		
Profit/(loss) for the purposes of basic and diluted earnings/(loss) per share	**32,694**	(34,085)

	2014	2013
Number of shares		
Weighted average number of shares in issue for the purpose of calculation of basic earnings/(loss) per share	**2,070,448,858**	1,916,674,474
Effect of dilutive potential ordinary shares:-		
Share options	**—**	160,301
Weighted average number of shares in issue for the purpose of calculation of diluted earnings/(loss) per share	**2,070,448,858**	1,916,834,775

For the year ended 31 December 2014, diluted earnings per share was equal to the basic earnings per share because the exercise price of the Group's share option was higher than the average market price of the Company's shares.

10. DEBTORS

	2014	2013
	HK$'000	*HK$'000*
Trade debtors	**68,166**	129,730
Less : impairment loss — *Note (iii)*	**(2,510)**	(1,727)
	65,656	128,003

Notes:-

(i) Apart from payment solutions business, the credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with debtors, credit evaluations of customers are performed periodically. For payment solutions business, as the Group is playing the role as an agent on behalf of the merchants for collection of payments, there is no significant credit risk.

(ii) An aging analysis of debtors is set out below:-

	2014	2013
	HK$'000	*HK$'000*
0–6 months	**65,656**	82,142
7–12 months	**—**	—
1–2 years	**—**	100
Over two years	**—**	45,761
	65,656	128,003
Neither past due nor impaired	**65,656**	82,142
Past due but not impaired	**—**	45,861
	65,656	128,003

Debtors that were neither past due nor impaired relate to tenants and a wide range of customers for timber trading and furniture manufacturing business and service providers of payment solutions business for whom there were no recent history of default.

At 31 December 2013, debtors that were past due but not impaired included an amount of HK$66,000 which was related to a number of independent customer of timber trading and furniture manufacturing business which had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

At 31 December 2013, debtors that were past due but not impaired who included an amount of HK$45,795,000 which was related to a service provider of payment solutions business. As the Group was playing the role as an agent on behalf of the merchants for collection of payments, thus no impairment allowance was necessary in respect of this balance.

(iii) The movement in the impairment loss on accounts receivable during the year is as follows:-

	2014	2013
	HK$'000	*HK$'000*
At 1 January	**1,727**	—
Impairment loss recognised	**923**	1,704
Disposals of subsidiaries	**(140)**	—
Exchange adjustments	**—**	23
At 31 December	**2,510**	1,727

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2014 *HK$'000*	2013 *HK$'000*
Utilities and deposits	**2,852**	2,347
Prepayments	**12,437**	22,560
Secured loans receivables — *Note 11(a)*	**5,988**	693
Unsecured loans receivables — *Note 11(b)*	**129,081**	7,356
Amounts due from former subsidiaries — *Note 11(c)*	**64,839**	—
Other receivables	**5,114**	8,727
	220,311	41,683
Less: Impairment loss on other receivables — *Note 11(d)*	**(1,938)**	(6,705)
	218,373	34,978
Less: Non-current portion	**(5,037)**	(4,566)
Current portion	**213,336**	30,412

Notes:-

(a) Except for an amount of HK$5,295,000 (2013: HK$Nil) which was interest-free, the remaining secured loans receivables were interest-bearing at 0.8% (2013: 0.8%) per month and repayable within one year. The secured loan receivable of HK$693,000 was fully impaired in 2012.

(b) All unsecured loans receivable were interest-free. Except for an amount of HK$5,037,000 (2013: HK$4,566,000) which was repayable after one year, the remaining balance was repayable within one year.

(c) The amounts are interest-free, unsecured and repayable on demand.

(d) The movement in the impairment loss on other receivables during the year is as follows:-

	2014 *HK$'000*	2013 *HK$'000*
At 1 January	**6,705**	693
Impairment loss recognised	**994**	5,931
Disposals of subsidiaries	**(5,724)**	—
Exchange adjustments	**(37)**	81
At 31 December	**1,938**	6,705

12. LOAN TO AN OFFICER

Loan to an officer of the Group disclosed pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161B of the predecessor Hong Kong Companies Ordinance (Cap. 32) are as follows:

Name of officer	**At 31 December 2014** *HK$'000*	**At 1 January 2014** *HK$'000*	**Maximum outstanding during the year** *HK$'000*	**Terms**
Madam Luan Yumin	12,362	—	12,362	Interest-free, unsecured and repayable on 1 September 2016

13. PAYABLE TO MERCHANTS

	2014 *HK$'000*	2013 *HK$'000*
An aging analysis of payable to merchants is set out below:-		
0–12 months	**418,479**	307,686
Over one year	**4,396**	56,503
	422,875	364,189

14. AMOUNT DUE TO A RELATED COMPANY

The amount is interest-free, unsecured and repayable within one year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Turnover and profit for the year

During the current fiscal year, the Group recorded a turnover of HK$317,148,000, representing an increase of 67% as compared to the last fiscal year. The profit attributable to shareholders of the Company was HK$32,694,000 in the current year, representing an increase of 196% as compared to the last fiscal year. The increase in turnover was mainly due to the increase in revenue of the Group's payment solutions business. Profit for the year of the Group was mainly attributable to the gain on disposal of subsidiaries in the major transaction.

Cost of sales/services rendered

During the current fiscal year, the Group recorded a cost of sales/services rendered of HK$30,646,000 representing a decrease of 20% as compared to the last fiscal year. The decrease of cost of sales/services rendered was mainly due to the decrease in cost of goods sold for timber trading and furniture manufacturing business.

Other revenue

During the current fiscal year, the Group recorded other revenue of HK$12,536,000, representing a decrease of 20% as compared to the last fiscal year. It was mainly due to a decrease in government subsidy for payment solutions business.

Other income

During the current fiscal year, the Group recorded other income of HK$7,999,000, representing an increase of 22% as compared to the last fiscal year. It was mainly due to an increase in gain on disposal of financial assets and exchange gain.

General and administrative expenses

During the current fiscal year, the Group recorded general and administrative expenses of HK$294,021,000, representing an increase of 64% as compared to the last fiscal year. It was mainly due to increase in staff costs, professional fees and other administrative expenses. During the current fiscal year, the Group recorded salaries and other benefits of HK$152,230,000, representing an increase of 28% as compared to the last fiscal year. To conclude, general and administrative expenses as a percentage of revenue, decreased to 93% in the year of 2014, as compared to 94% in the year of 2013.

Increase in fair value of investment properties

During the current fiscal year, the increase in fair value of investment properties decreased from HK$6,996,000 in the year of 2013 to HK$126,000 in the year of 2014, representing a decrease of 98% as compared to the last fiscal year. It was mainly due to the fact that the property located at No. 1178 Tian Yao Qiao Road, Xuhui District, Shanghai, the People's Republic of China (the "PRC") was disposed during the current fiscal year.

Impairment loss on debtors and other receivables

During the current fiscal year, the Group recorded an impairment loss on debtors and other receivables of HK$1,917,000, representing a decrease of 75% as compared to the last fiscal year. It was mainly related to impairment loss on other receivables of payment solutions business.

Finance costs

During the current fiscal year, the Group recorded a finance costs of HK$760,000, representing a decrease of 83% as compared to the last fiscal year. It was mainly due to a decrease in bank charge and bank loan interest incurred as the bank loan was fully repaid during the last fiscal period.

Impairment loss on intangible assets

During the current fiscal year, the Group recorded an impairment loss on intangible assets of HK$8,796,000, representing an increase of 100% as compared to the last fiscal year. It is mainly related to impairment loss on development cost of system for payment solutions business.

Gain on disposals of subsidiaries

During the current fiscal year, the Group recorded gain on disposals of the entire issued share capital of Universal Enterprise Investment Holdings Limited, a wholly-owned subsidiary of the Company ("Property Co", together with its subsidiaries and associated companies, the "Property Co Group"); and the entire issued share capital of Universal Enterprise Resources Limited, a wholly-owned subsidiary of the Company ("Timber Co", together with its subsidiaries and associated companies, the "Timber Co Group") of HK$46,224,000, representing an increase of 100% as compared to the last fiscal year. It is represented to the gain on disposal of the Property Co Group of HK$44,389,000 and the gain on disposal of Timber Co Group of HK$1,835,000 in the major transaction.

Income tax expense

During the current fiscal year, the Group recorded an income tax expense of HK$10,425,000, representing a decrease of 1% as compared to the last fiscal year. There was no significant difference of income tax expense as compared to last fiscal year.

Property, plant and equipment

The Group's property, plant and equipment decreased by HK$15,902,000 from HK$53,888,000 as at 31 December 2013 to HK$37,986,000 as at 31 December 2014. The decrease was due to the written off and the disposal of the Property Co Group and the Timber Co Group.

Goodwill

The Group's goodwill increased by HK$695,000 from HK$76,402,000 as at 31 December 2013 to HK$77,097,000 as at 31 December 2014. The increase in goodwill was mainly attributable from the segment of payment solutions and related services income business.

Intangible assets

The Group's intangible assets decreased by HK$14,193,000 from HK$18,443,000 as at 31 December 2013 to HK$4,250,000 as at 31 December 2014. The decrease was mainly due to the impairment loss on development cost of systems for payment solutions business.

Investment properties

The Group's investment properties decreased by HK$133,735,000 or 80% from HK$166,274,000 as at 31 December 2013 to HK$32,539,000 as at 31 December 2014. It was mainly attributable to the disposals of investment properties in the Property Co Group and the Timber Co group in the major transaction during the current fiscal year.

Interest in an associate

The Group's interest in an associate decreased by HK$270,000, or 100% from HK$270,000 as at 31 December 2013 to HK$Nil as at 31 December 2014. The decrease was mainly due to the disposal of the Property Co Group during the current fiscal year.

Other investment

The Group's other investment decreased by HK$12,683,000, or 100% from HK$12,683,000 as at 31 December 2013 to HK$Nil as at 31 December 2014. The decrease in other investment was due to the disposal of the Property Co Group during the current fiscal year.

Loan to an officer

The Group's loan to an officer increased by HK$12,362,000, or 100% from HK$Nil as at 31 December 2013 to HK$12,362,000 as at 31 December 2014. It represented an amount of HK$12,362,000 advanced to the officer, Madam Luan Yumin during the current fiscal year.

Debtors

The Group's debtors decreased by HK$62,347,000 or 49% from HK$128,003,000 as at 31 December 2013 to HK$65,656,000 as at 31 December 2014. The decrease was mainly attributable to the debtors that included an amount of HK$45,795,000 which was related to a service provider of payment solutions business has been settled.

Deposits, prepayments and other receivables

The Group's deposits, prepayments and other receivables increased by HK$183,395,000 from HK$34,978,000 as at 31 December 2013 to HK$218,373,000 as at 31 December 2014. The increase in deposits, prepayments and other receivables was due to an increase in secured loans receivables and unsecured loans receivables during the current fiscal year and the increase in other receivables incurred in the payment solutions business of the Group.

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss decreased by HK$1,573,000 from HK$1,794,000 as at 31 December 2013 to HK$221,000 as at 31 December 2014. The decrease in financial assets at fair value through profit or loss was mainly due to the disposal of financial assets during the current fiscal year.

Cash and bank balances

The Group's cash and bank balances decreased by HK$79,856,000 from HK$592,079,000 as at 31 December 2013 to HK$512,223,000 as at 31 December 2014. As at 31 December 2014, 96% (31 December 2013: 81%) of cash and bank balances was denominated in Renminbi.

Fixed deposits

The Group's fixed deposits increased by HK$338,087,000 or 100% from HK$Nil as at 31 December 2013 to HK$338,087,000 as at 31 December 2014. The increase was mainly due to the cash consideration received from the major transaction during the current fiscal year.

Payable to merchants

The Group's payable to merchants increased by HK$58,686,000 or 16% from HK$364,189,000 as at 31 December 2013 to HK$422,875,000 as at 31 December 2014. It was mainly attributable to the increase in transaction volume of online payment business. The Group was playing the role as an agent on behalf of the merchants for collection of transaction money from debtors and then paid such transaction money to the merchants after deducting services fee. The Group mainly booked the services fee which is determined based on an agreed percentage of the transaction moneys involved as turnover.

Deposits received, sundry creditors and accruals

The Group's deposits received, sundry creditors and accruals increased by HK$4,191,000 from HK$100,016,000 as at 31 December 2013 to HK$104,207,000 as at 31 December 2014. The increase was mainly attributable to increase in accruals and sundry creditors in payment solutions business.

Amount due to a related company

Amount due to a related company increased by HK$14,350,000, or 100% from HK$ Nil as at 31 December 2013 to HK$14,350,000 as at 31 December 2014. It represented an amount of HK$14,350,000 advanced from a related company during the current fiscal year.

LIQUIDITY AND FINANCIAL RESOURCES

At 31 December 2014, the Group had net current assets of HK$552,489,000. Current assets comprised inventories of HK$1,502,000, debtors of HK$65,656,000, deposits, prepayments and other receivables of HK$213,336,000, financial assets at fair value through profit or loss of HK$221,000, prepaid land lease premium of HK$300,000, fixed deposits of HK$338,087,000 and cash and bank balances of HK$512,223,000.

Current liabilities comprised payable to merchants of HK$422,875,000, deposits received, sundry creditors and accruals of HK$104,207,000 and amount due to a related company of the HK$14,350,000 and tax payable of HK$11,057,000.

The gearing ratio (defined as a percentage of total liabilities (excludes deferred tax liability) over total assets (excludes deferred tax assets)) of the Group at 31 December 2014 was 42% (2013: 41%).

The Board considers that the Group's existing financial resources are sufficient to fulfill its commitments, current working capital requirements and further development. In the long term, the Board believes that the Group will continue to fund its foreseeable expenditures through cash flows from operations. However, for a more massive scale of expansion and development, debt or equity financing may be required.

BUSINESS REVIEW AND PROSPECTS

Business Review

In 2014, the global economic recovery remained slow with international financial markets experiencing a cyclical fluctuation due to the impact of macroeconomic environment, however, the overall situation was rebounding. For the year, under the vision of "Optimizing corporate structure to lay a good foundation for future development", the Group actively explored innovative and effective measures to facilitate its business in moving forward. Internally, the Group remained adhering to the philosophy of management centralization and operation professionalization, continued current traditional business, optimized resources deployment, and endeavored to breakthrough a new situation.

With regard to the Group's core payment business for the year, we adhered to the Group's strategies in facilitating its works steadily. Our payment policies for the year remained cautious and stringent, with regulatory measures already strengthened in various aspects including business, corporate governance and policy guidance. One after another, our peer competitors received notices and penalty charge notes and were ordered to rectify the situation due to non-compliance in business expansion and inadequate transaction monitoring, thus ringing an alarm bell for the industry. At policy level, peer companies inevitably increased the investments in system construction, risk management and other works, which led to an increase in operation costs, posing significant risks because of policy uncertainty. In facing the intensifying competition in the traditional sectors in recent years, many peer companies looked for differentiation development according to their respective strengths and positioning. For the year, the Company continued to assume the responsibility of improving operation efficiency for the society, operated cautiously, intensified the impact for those sectors with preliminary advantages, and strived to develop and construct its service platform. For the fund management for store retail industry, we helped the industry to improve the overall operation efficiency through the concepts of integrating capital flow, information flow and logistics, and conducted continuously products upgrading based on earlier expansion works, from which the market feedback was well praised. For the fund management for private internet finance, with nearly two years of setting up the layout, it was exceptionally well received by market with good reputation. However, owing to policy uncertainty, the development of related business remains with certain risks. For international market expansion, the result was below expectation and was affected by various factors like the neighboring environment, and it will take time before seeing good outcome in this sector. For operation protection, based on the new business direction and needs, the research and development of a new system is still at a testing stage, the Group's payment business in high stability, high flexibility and high efficiency characteristics can be expected, and it can greatly meet the needs of new business layout in future.

With regard to the Group's timber and furniture manufacturing business for the year, China rosewood furniture market dropped in general in terms of overall sales volume. As a result of domestic policies and weak real estate market sentiment, coupled with intensifying competition among peer companies and rising labor costs, by relying on our brand effect and long-term customer support, our performance remained stable as compared with the corresponding period of last year in terms of numbers of store, turnover and results during the year.

With regard to property investment and property management for the year, through the continuous provision of professional property management and services, Universal Enterprises Building in Shanghai had built up intangible values for the Group and secured a stable tenant base. The building continued to generate rental and management fee income for the Group. In addition, the Group owns two investment properties in Shanghai, with their fair values appreciated during the year.

With regard to the Group's pool of talent for the year, as affected by policy and coupled with the needs of market intensification, it is especially urgent and important to recruit and train a large number of talents with technological background, familiar with policies and competent in risk management, and it is also an important support in human resources for achieving new business growth. Based on its talent introduction strategy of integrating both the shareholders and staff interests, the Company increased the efforts in aggregation, demonstration and bring-in effects. For the operation, the investments in the construction of corporate payment system had brought a significant impact for enhancing the overall comprehensive corporate capacity and subsequent strategic development.

Moreover, to further optimize resources deployment and follow the medium and long term development targets of the Group, on 29 December 2014, the Group completed a major transaction for investors to invest in the payment solutions business of the Group and the acquisition of timber and property related assets. The Group recorded revenue of over HK$300 million for the disposal and the proceeds will be used as general working capital and potential investments in the new businesses of the Group.

Prospects

Vision starts from foresight and will take shape by following the past and be innovative for the future. In 2015, in facing various challenges, the Group is optimistic about its future development. The Group will continue to adopt prudent operation policy and follow the strategic direction of "concentrating on growth, reducing losses, and modifying the structure" to constantly explore more business and investment opportunities, so as to achieve business diversification and financial growth and maximize the value-added investment for shareholders.

In 2015, under the circumstances such as changes in operating environments of payment market, prominent financial disintermediation trend of banking industry, the Group will firmly grasp quality customer group, solid enhancement of operation efficiency of customers through payment link, and continue to develop its payment business in steady operation directions, deeply cultivate preliminary sectors with advantages such as education industry, physical retail industry and personal internet finance industry, expand corporate customers by the key model of industry penetration, deeply search for customers in industry segments and establish advantages and reputation in the industry, so as to comprehensively enhance the speed and width of customer expansion. For overseas expansion strategy, the Company will take a foothold of integrating external policies and systematic perfection of the Company, comprehensively integrate existing resources and advantages and achieve global business development by way of "focusing then expanding, followed by integrating, demonstrating and facilitating comprehensively".

In addition, owing to the uncertainties and risks brought by the policies, the Company needs to better monitoring internal and external risks to lay a solid foundation for the long term development of the Group. In 2015, the Group will actively explore payment business and new business expansion opportunities to widen the income source for the Group. The Group will assess market conditions and adjust its strategies and make decisions when appropriate to ensure effective implementation of expansion plan. The Group will also regularly review market risk, legal risk, contract risk and credit risk of customers for its domestic and foreign markets and continue to improve the internal control system and risk control system of the business operation of the Group.

In 2015, we will step forward, maintain innovative pace, increase our intensifying business expansion efforts, enhance internal management and consolidate our core team. We have reasons to believe that resources integration and unified platform of the Group shall perform its best and it will be just around the corner for the Group to move forward into a flourishing new milestone.

EMPLOYEES

At 31 December 2014, the total number of employees of the Group was 602 (2013: 695). The dedication and contribution of the Group's staff during the year are greatly appreciated and recognised.

Employees (including directors) are remunerated according to their performance and working experience. On top of basic salaries, discretionary bonus and share options may be granted to eligible employee by reference to the Group's performance as well as the individual's performance.

In addition, the Group also provides social security benefits to its staff such as Mandatory Provident Fund Scheme in Hong Kong and the central pension scheme in the PRC.

TREASURY POLICIES

The Group adopted a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the current fiscal year, the Group acquired the entire 100% equity interests in Shanghai Chixing Property Management Limited, at a cash consideration of RMB2,205,000 (equivalent to HK$2,771,000).The fair value of the identifiable assets and liabilities of the subsidiary acquired as at the date of acquisition was HK$2,076,000. The newly acquired business contribute a turnover of HK$335,000 to the Group and contributed a loss of HK$92,000 to the Group for the period between the date of acquisition and at the end of the current period. The Group recognised a goodwill of HK$695,000 because the purchase consideration exceeded the fair value of net assets acquired.

During the current financial year, the Group acquired the entire 100% equity interests in Ease2Pay Limited, a company incorporated in Hong Kong at a cash consideration of HK$1. The fair value of the identifiable assets and liabilities of the subsidiary acquired as at the date of acquisition was HK$10,000. The newly acquired business did not contribute any turnover to the Group and contributed a loss of HK$1,000 to the Group for the period between the date of acquisition and at the end of the current period. The Group recognised gain on a bargain purchase of HK$10,000 because the fair value of net assets acquired exceeded the purchase consideration.

On 29 October 2014, Universal Cyberworks International Ltd ("UCI"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("SPA") with H and R Group Limited ("H and R") is an investment holding company incorporated in the British Virgin Islands. According to the agreements, the UCI would conditionally sell, and the H and R would conditionally purchase, interests in certain subsidiaries of the Company (together the "Sale Shares") comprising: (i) 49% interests in International Payment Solutions Holdings Limited, a wholly-owned subsidiary of the Company ("Payment Co", together with its subsidiaries and associated companies, the "Payment Co Group"); (ii) the entire issued share capital of Universal Enterprise Investment Holdings Limited, a wholly-owned subsidiary of the Company ("Property Co", together with its subsidiaries and associated companies, the "Property Co Group"); and (iii) the entire issued share capital of Universal Enterprise Resources Limited, a wholly-owned subsidiary of the Company ("Timber Co", together with its subsidiaries and associated companies, the "Timber Co Group"), free from encumbrances, together with the assignments of the Loans due from certain members of the Property Co Group and the Timber Co Group ("Net Loans") to other members of the Group and the Remaining Group Loans that due from certain members of the Remaining Group to certain members of the Property Co Group and the Timber Co Group, at the aggregate consideration (the"Consideration") of HK$315,480,000 in cash and the VIE Tax Indemnity (the "Disposal"). The disposal was subsequently approved by the independent shareholders of the Company on 16 December 2014. The disposal was completed on 29 December 2014.

On 29 December 2014, The Group disposed of 49% equity interests in Payment Co Group and its entire interest in Property Co Group and Timber Co Group at a consideration of HK$62,834,000, HK$44,389,000 and HK$45,014,000 respectively. The carrying amount of the non-controlling interests in Payment Co Group on the date of disposal was HK$141,062,000. The Group recognised an increase in non-controlling interests of HK$141,062,000 and an decrease in equity attributable to shareholders of the Company of HK$86,447,000. Regarding to the Property Co Group, the carrying amount of the net assets value in Property Co Group and the tax effect on the date of disposal was HK$101,048,000 and HK$12,641,000 respectively. The Group recognised a gain of disposal of Property Co Group of HK$44,389,000. Regarding to the Timber Co Group, the carrying amount of the net liabilities in Timber Co Group on the date of disposal was HK$46,849,000. The Group recognised a gain of disposal of Timber Co Group of HK$1,835,000.

CHARGES ON GROUP'S ASSETS

The Group had no charges on Group's assets at 31 December 2014.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the current fiscal year, the Group disposed 49% equity interests in the Payment Co Group and its entire interest in the Property Co Group and the Timber Co Group and Net Loans at cash consideration of HK$315,480,000, of which HK$262,480,000 is intended for potential investment in new business. As at 31 December 2014, the Group had no plan for any acquisition of business or assets nor was the Company in negotiation for any investment in new business.

CURRENCY RISK

Currently, the market anticipates moderate appreciation pressure on Renminbi. The Group has not implemented any formal policy in dealing with this foreign currency risk. However, in view of the fact that the Group's core business is mainly transacted in Renminbi and significant portion of assets are denominated in Renminbi, the exposure of the Group's risk from exchange rate fluctuation was minimal. For the year ended 31 December 2014, the Group did not enter into any arrangement to hedge its foreign currency exposure. However, the management monitors the related foreign currency exposure closely and will consider hedging significant currency exposure should the need arise.

CAPITAL COMMITMENT

The Group had no capital commitment at 31 December 2014.

CONTINGENT LIABILITIES

The Group is subject to legal proceedings and claims arising from the conduct of its business operations, including litigation related to directors and shareholders.

While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities including lawsuits, the Directors of the Company believe that the aggregate amount of such liabilities, if any, in excess of amounts accrued, will not have a material adverse effect on the consolidated financial position or results of operations of the Group.

DIVIDEND

The Board of Directors does not recommend payment of any dividend for the year ended 31 December 2014 (2013: HK$Nil).

CLOSURE OF REGISTER OF MEMBERS

The Company will make further announcement on the date of annual general meeting and closure of register of members as soon as practicable.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company and the Board are devoted to achieve and maintain the highest standards of corporate governance and have adopted the principles of the corporate governance practices of the Listing Rules in the construction of our corporate governance practices. The Board believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding interests of our shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders. A full description of the Company's Corporate Governance will be set out in the section of Corporate Governance contained in the 2014 annual report.

The Company has applied the principles and provisions as set out in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Main Board CG Code"). The Company has complied with all the applicable Code Provisions of the Main Board CG Code.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's audited financial statements for the year ended 31 December 2014. The Audit Committee has also reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters.

By Order of the Board
UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED
Chen Jinyang
Chairman

Hong Kong, 27 March 2015

As at the date of this announcement, the Board of the Company comprises:

Executive Directors:
Mr. Chen Jinyang *(Chairman)*
Mr. Chau Cheuk Wah *(Chief Executive Officer)*
Mr. Chen Runqiang
Mr. Chow Cheuk Lap
Mr. Zhou Jianhui

Non-Executive Director:
Ms. Fan Man Yee Alice

Independent Non-Executive Directors:
Dr. Cheung Wai Bun, Charles, *J.P.*
Mr. David Tsoi
Mr. Chan Chun Kau
Mr. Chao Pao Shu George