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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)

EXEMPTED CONNECTED TRANSACTION

AND

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF 51% OF THE ISSUED SHARE CAPITAL OF INTERNATIONAL PAYMENT SOLUTIONS HOLDINGS LIMITED

On 2 November 2016 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares and the Net Shareholders Loans for the aggregate Consideration of HK\$158.0 million.

As at the date of this announcement, the Target Company is beneficially owned as to 51% by the Company and as to 49% by H&R (which is, in turn, 50% owned by the Purchaser). In addition, Ms. Ren Lili is a director of the Target Company. Accordingly, the Purchaser is a connected person of the Company (at the subsidiary level rather than at the Company's level) and thus the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that (i) the Board considers that the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) the Board has approved the Sale and Purchase Agreement and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, the Sale and Purchase Agreement and the transactions contemplated thereunder fall within the exemption under Rule 14A.101 of the Listing Rules and are subject to the reporting and announcement requirements but exempted from the circular, independent financial advice and shareholders' approval requirements of Chapter 14A of the Listing Rules.

However, as the relevant percentage ratios of the Disposal are more than 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

An EGM will be convened at which an ordinary resolution will be proposed to seek the Shareholders' approval of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Disposal).

A circular containing, among other things, details of the Disposal, principal terms of the Sale and Purchase Agreement, the financial information of the Group and the Target Group, the notice of the EGM and other information as required under the Listing Rules is expected to be despatched by the Company to the Shareholders on or before 30 November 2016 as additional time is required to prepare and finalise the information to be included in the circular.

Completion is conditional upon the satisfaction of the Condition set out in the section headed "Condition Precedent" in this announcement, including the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder by Shareholders at the EGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

1. INTRODUCTION

Reference is made to the circular of the Company dated 27 November 2014 in relation to, among other things, the disposal of 49% of the issued share capital of the Target Company.

On 29 October 2014, the Vendor (a wholly-owned subsidiary of the Company) and H&R (a 50% owned entity of the Purchaser) entered into the Previous Disposal Agreement, pursuant to which the Vendor agreed to sell and H&R agreed to acquire, among other things, 49% of the issued share capital of the Target Company. The Previous Disposal Agreement was duly approved by then Shareholders at the extraordinary general meeting of the Company held on 16 December 2014. Subsequently, completion of the Previous Disposal Agreement took place on 29 December 2014.

On 2 November 2016 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares and the Net Shareholders Loans for the aggregate Consideration of HK\$158.0 million.

2. THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized as below:

Date: 2 November 2016 (after trading hours of the Stock Exchange)

- Parties:**
- (i) Universal Cyberworks International Ltd., a wholly-owned subsidiary of the Company, as the Vendor; and
 - (ii) Brilliant Dragon Investment Limited, as the Purchaser

Assets to be disposed of

The assets to be disposed of by the Group under the Sale and Purchase Agreement are (a) the Sale Shares free from any Encumbrances and together with all rights attaching thereto including all rights to receive dividends and distributions declared, made or paid on or after the Completion Date; and (b) the Net Shareholders Loans.

Simultaneously with the Completion, the Parties agreed to (a) procure the relevant members of the Target Group to set off the entire amount of the Advances against the Shareholders Loans; and (b) complete the assignment of the Net Shareholders Loans by the relevant members of the Remaining Group to the Purchaser (or its nominees).

Consideration

The aggregate Consideration for the Sale Shares and the assignment of the Net Shareholders Loans is HK\$158.0 million, which shall be paid by the Purchaser to the Vendor (or its designated payee) in cleared funds on or before the Completion Date.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) 51% of the unaudited consolidated equity attributable to owners of the Target Group in the amount of approximately HK\$97.3 million as at 30 June 2016 (which is calculated based on the unaudited consolidated equity attributable to owners of the Target Group of approximately HK\$190.8 million as at 30 June 2016); (ii) the face value of the Shareholders Loans in the amount of approximately HK\$108.7 million as at the date of the Sale and Purchase Agreement; and (iii) the face value of the Advances in the amount of approximately HK\$61.3 million as at the date of the Sale and Purchase Agreement; (iv) the unsatisfactory financial performance of the Target Group in recent years; and (v) the fierce competition of the third party payment market in the PRC.

The consideration for the Sale Shares of approximately HK\$110.6 million represents a premium of approximately 13.7% over 51% of the unaudited consolidated equity attributable to owners of the Target Group in the amount of approximately HK\$97.3 million as at 30 June 2016 (which is calculated based on the unaudited consolidated equity attributable to owners of the Target Group of approximately HK\$190.8 million as at 30 June 2016).

The consideration for the Net Shareholders Loans was determined on a dollar-for-dollar basis by reference to its face value in the amount of approximately HK\$47.4 million as at the date of the Sale and Purchase Agreement. Under the terms of the Sale and Purchase Agreement, the Parties shall procure that there be no change to the amounts of the Advances and the Shareholders Loans from the date of the Sale and Purchase Agreement to the Completion.

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

VIE Tax Indemnity

Each of the Vendor and the Purchaser shall be responsible for its own Tax arising from or in connection with the transactions contemplated under the Sale and Purchase Agreement, save and except that any Tax arising from or in connection with the change of the registered holder(s) (the “**Nominee Shareholder(s)**”) of the equity interest in any member(s) within the VIE Group payable by the Nominee Shareholder(s) who is a nominee of any member of the Group as at the date of the Sale and Purchase Agreement shall be borne by the Purchaser in full without limitation (the “**Purchaser’s Tax Undertaking**”), and the Purchaser shall indemnify the Vendor or the Nominee Shareholder(s) in full against all Taxes, claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Vendor or the relevant Nominee Shareholder(s) may suffer in relation to or in connection with the Purchaser’s breach of its obligations under the Purchaser’s Tax Undertaking.

Condition Precedent

Completion is conditional upon the Company having obtained the necessary shareholders’ approval at the EGM in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Vendor shall use its reasonable endeavors to satisfy the Condition by the Long Stop Date (i.e. 31 December 2016, or such later date as agreed by the Parties in writing). If the Condition is not satisfied by the Long Stop Date, then unless both Parties mutually agree to extend the Long Stop Date the Sale and Purchase Agreement shall terminate forthwith and neither Party shall have any liability towards the other Party save for any antecedent breach of the Sale and Purchase Agreement. (a) If the termination is as a result of the Vendor’s failure to use its reasonable endeavours to obtain the Shareholders’ approval at the EGM, then the Purchaser is entitled to receive from the Vendor a full reimbursement of the professional fees and costs incurred in relation to the negotiation, signing and performance of the Sale and Purchase Agreement accrued prior to termination (the “**Terminal Cost Reimbursement**”), which in aggregate shall not exceed the maximum amount of HK\$3 million (the “**Maximum Reimbursement Limit**”); and (b) if the Shareholders’ approval is obtained but the Purchaser fails to complete for whatever reason (where the Vendor is ready and willing to proceed with Completion), then the Vendor is entitled to receive from the Purchaser a sum which is equivalent to the Terminal Cost Reimbursement, which shall not exceed the Maximum Reimbursement Limit.

Completion

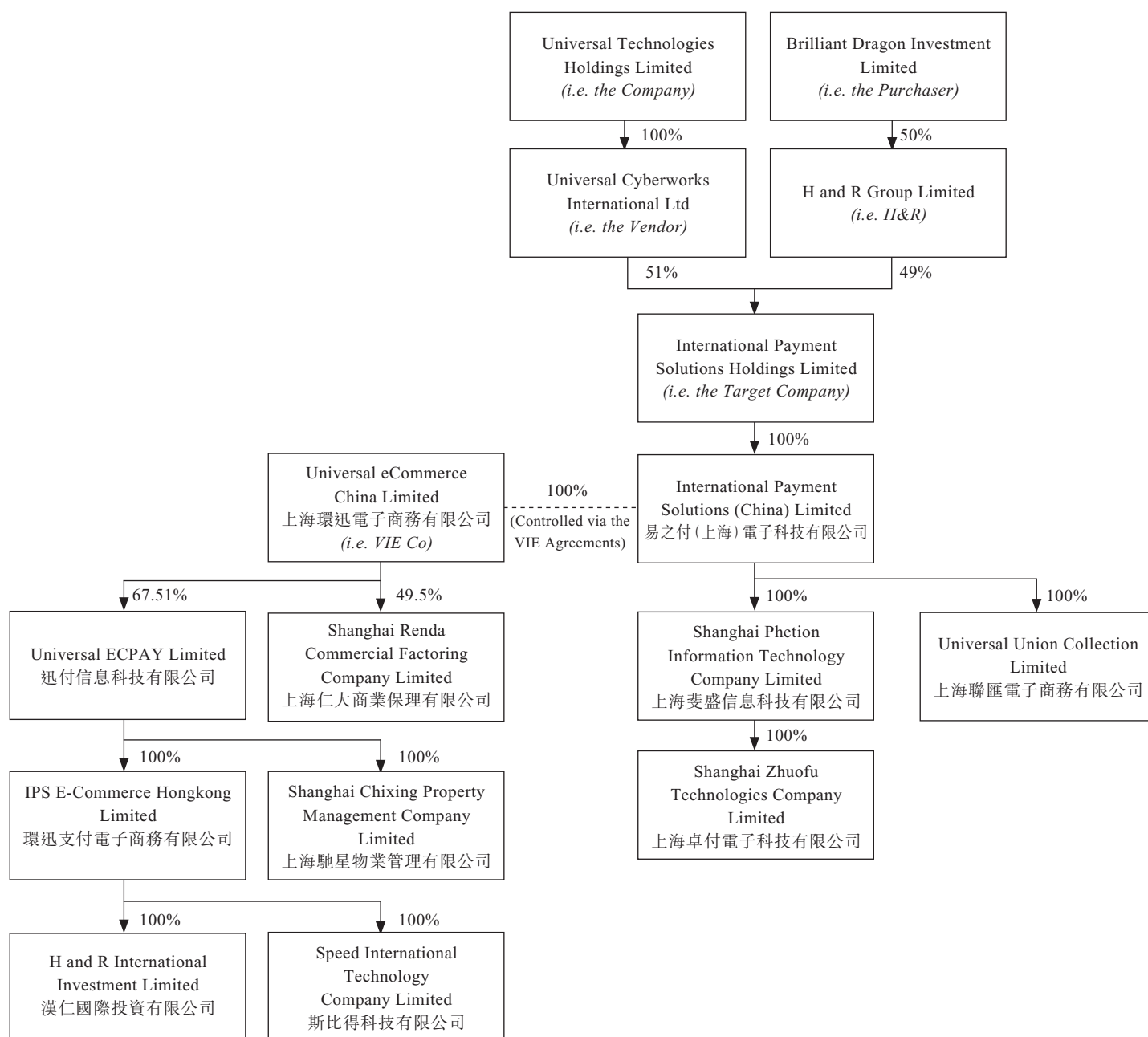
Completion shall take place on the Completion Date, i.e. the tenth Business Day after the satisfaction of the Condition, or such later date as agreed by the Parties in writing prior to Completion. Upon Completion, the Target Company will cease to be a subsidiary of the Company and all the results and assets and liabilities of the Target Group will no longer be consolidated to the financial statements of the Group.

3. INFORMATION OF THE TARGET GROUP

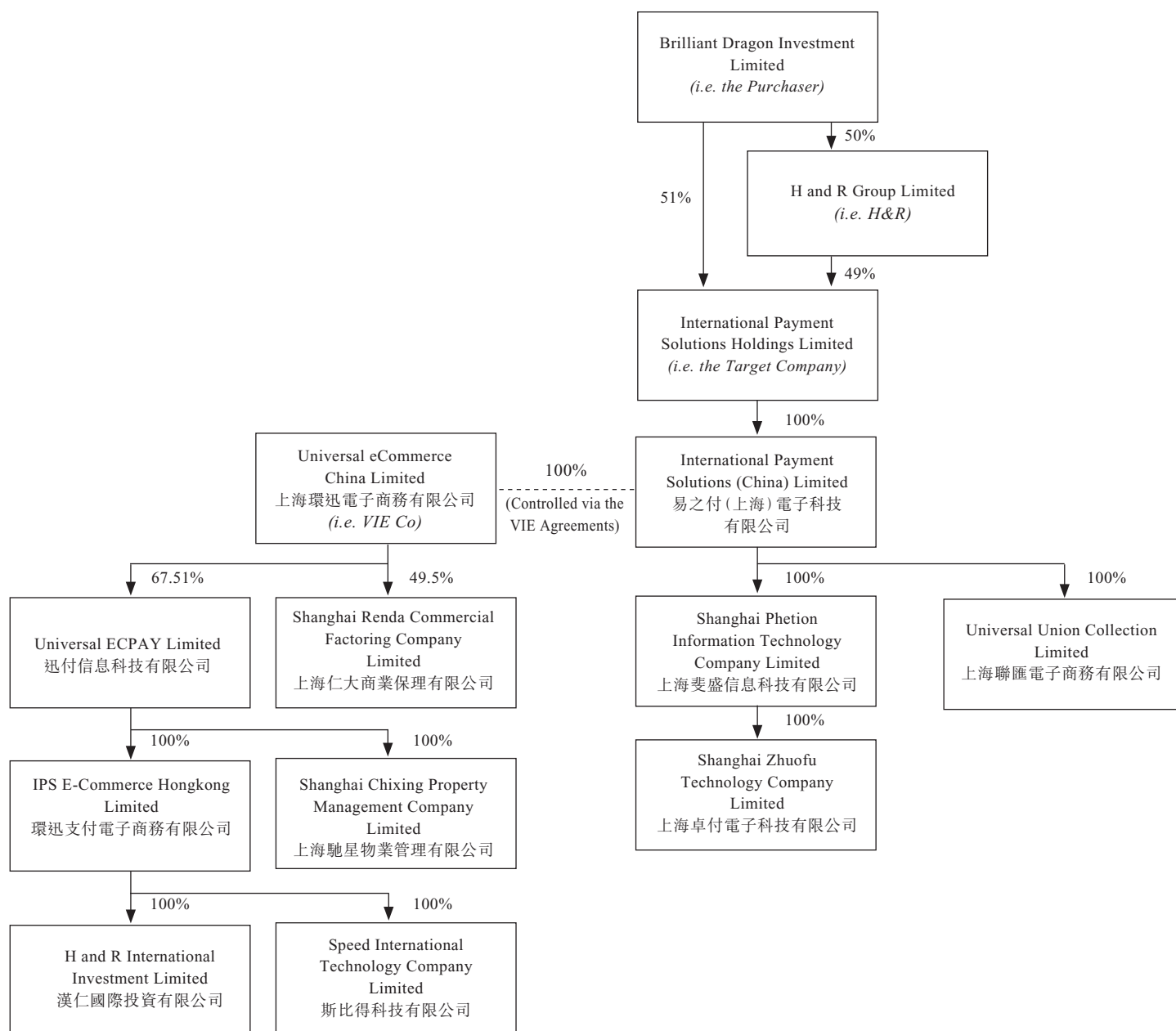
The Target Company is an investment holding company incorporated in Hong Kong with limited liability. The Target Group (including the VIE Group which is effectively controlled through the VIE Structure) is principally engaged in the payment solutions business in the PRC.

As at the date of this announcement, the Target Company is owned as to 51% by the Vendor and as to 49% by H&R (which is, in turn, 50% owned by the Purchaser). Set out below is the shareholding structure of the Target Group as at the date of this announcement and upon Completion:

As at the date of this announcement:



Upon Completion:



Financial information of the Target Group

The unaudited financial information of the Target Group for the two years ended 31 December 2015 and for the six months ended 30 June 2016 is set out as below:

	For the year ended 31 December 2014 (HK\$'000) (unaudited)	For the year ended 31 December 2015 (HK\$'000) (unaudited)	For the six months ended 30 June 2016 (HK\$'000) (unaudited)
Turnover	278,566	219,031	87,172
Profit/(loss) before taxation	35,892	(25,966)	(36,929)
Profit/(loss) for the year/period	26,246	(27,441)	(37,068)

As at 30 June 2016, the unaudited total assets and net assets of the Target Group are HK\$1,048,960,000 and HK\$246,196,000, respectively.

4. INFORMATION OF THE NET SHAREHOLDERS LOANS

The Shareholders Loans represent all the liabilities (including loans, advances, prepayments and inter-company accounts) owed by relevant members of the Target Group to relevant members of the Remaining Group as at the Completion Date.

The Advances represent all the liabilities (including loans, advances, prepayments and inter-company accounts) owed by relevant members of the Remaining Group to relevant members of the Target Group as at the Completion Date.

As at the date of the Sale and Purchase Agreement, the face value of the Shareholders Loans, the Advances and the Net Shareholders Loans amount to approximately HK\$108.7 million, approximately HK\$61.3 million and approximately HK\$47.4 million, respectively.

Pursuant to the terms of the Sale and Purchase Agreement, the Parties agree to (a) procure the relevant members of the Target Group to set off the entire amount of the Advances against the Shareholders Loans; and (b) complete the assignment of the Net Shareholders Loans by the relevant members of the Remaining Group to the Purchaser (or its nominees) simultaneously with the Completion.

5. INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. Its principal activities is investment holding and its principal asset is its investment in 51% shareholding interest in the Target Company. As at the date of this announcement, the Vendor directly holds 51% of the issued share capital of the Target Company.

6. INFORMATION OF THE PURCHASER

Based on the information provided by the Purchaser, (a) the Purchaser is a company incorporated in the British Virgin Islands with limited liability; (b) the principal activities of the Purchaser is investment holding and its sole asset is its investment in 50% shareholding interest in H&R; (c) H&R is the purchaser under the Previous Disposal Agreement; (d) subsequent to completion of the Previous Disposal Agreement in December 2014, H&R holds 49% of the issued share capital of the Target Company; (e) the Purchaser is wholly owned, legally and beneficially, by Ms. Ren Lili; and (f) Ms. Ren Lili is the sole director of the Purchaser.

Ms. Ren Lili is currently one of the directors of the Target Company, and was an executive Director of the Company from July 2009 to March 2012 and a director of certain subsidiaries of the Target Group from 2007 to 2012. Apart from holding the entire issued share capital of the Purchaser, Ms. Ren Lili also holds 50% shareholding interest in Harvest Dragon Holdings Limited, an investment holding company, which, in turn, holds 10% shareholding interest in H&R. Based on the information provided by the Purchaser, the other 40% shareholding interest of H&R is owned by Great Kylin Investment Limited, an investment holding company, which in turn is indirectly owned by Beijing Shiji Information Technology Co, Limited (“**Beijing Shiji**”), a company listed on the Shenzhen Stock Exchange with stock code 002153 and whose principal business activities include the development and sale of the applied software for hotel and catering information system. Beijing Shiji is also the 100% parent company of Beihai Shiji Information Technology Co., Ltd., a 22.5% shareholder of Universal ECPAY Limited, a member of the Target Group. Save as disclosed above, the Purchaser and its ultimate beneficial owner, Ms. Ren Lili, have no other relation with any Directors, senior management or substantial Shareholders and their respective associates. To the best knowledge, information and belief of the Directors having made all reasonable enquires with the Purchaser and based on the written confirmation given by the Purchaser to the Company, Ms. Ren Lili and her associates do not hold any Shares as at the date of this announcement.

To the best knowledge, information and belief of the Directors having made all reasonable enquires with the Purchaser, each of Great Kylin Investment Limited and its ultimate beneficial owner, Beijing Shiji, is a third party independent of the Company and its connected persons and their respective associates. As Ms. Ren Lili is a connected person (at the subsidiary level) by virtue of her directorship in the Target Company, and the Purchaser, being a company controlled by Ms. Ren Lili, is an associate of connected person (at the subsidiary level) of the Company.

7. FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Target Company will cease to be a subsidiary of the Company and all the results and assets and liabilities of the Target Group will no longer be consolidated to the financial statements of the Group.

As a result of the disposal of the Sale Shares, the Company is expected to record a gain of approximately HK\$2.5 million in the statement of profit or loss, which represents the difference between the notional amount of the consideration for the Sale Shares and the aggregate amount of (i)

51% of the unaudited consolidated equity attributable to owners of the Target Group in the amount of approximately HK\$97.3 million as at 30 June 2016 (which is calculated based on the unaudited consolidated equity attributable to owners of the Target Group of approximately HK\$190.8 million as at 30 June 2016); and (ii) our estimation on the legal and professional fee and the relevant Tax in relation to the Disposal.

Given that the consideration for the assignment of the Net Shareholders Loans is expected to be close to its book value recorded on the Group's financial statements, the Company does not expect the assignment of the Net Shareholders Loans to give rise to any significant gain or loss on disposal.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain or loss on the Disposal may be different from the above and will be determined based on the financial position of the Target Group on the Completion Date and the review by the Group's auditors after Completion.

8. REASONS FOR AND BENEFITS OF THE DISPOSAL

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, building management and water supply and related services.

In the past few years, the third-party online payment market in the PRC, in which the Target Group operates, has been expanding rapidly. According to the statistics compiled and released by iResearch, a PRC-based internet market research institution, the gross merchandise value (“GMV”) of the third-party online payment services in the PRC increased from approximately RMB2.2 trillion in 2011 to approximately RMB11.9 trillion in 2015, representing a compound annual growth rate (“CAGR”) of approximately 52.5%. It is estimated by iResearch that the GMV of the third-party online payment services in the PRC will increase to approximately RMB26.9 trillion in 2019.

Nevertheless, the third-party online payment market in the PRC is considered as an oligopoly. Notwithstanding the fact that there were 268 payment companies in the PRC holding a valid administration of payment license (支付業務許可證) as at 31 December 2015, the third party online payment market in the PRC is principally dominated by the top-three market leaders, namely Alipay (支付寶), Tenpay (財付通) and Yspay (銀商商務). According to the research conducted by iResearch, Alipay, Tenpay and Yspay in aggregate occupied approximately 78.4% of the total market share in 2015. The Target Group occupied only approximately 1.2% of the total market share in 2015, decreasing from approximately 2.7% of the total market share in 2014.

In addition, following the increasing acceptance of mobile payment, more people turned to use mobile payment rather than online payment. According to the figures released by iResearch, the GMV of the third-party mobile payment services in the PRC skyrocketed at a CAGR of approximately 235.8% from approximately RMB80 billion in 2011 to approximately RMB10,171 billion in 2015. It is expected that the GMV of the third-party mobile payment services in the PRC will reach approximately RMB21,930 billion in 2017 and will, at the first time, exceed the GMV of the third party online payment services.

Under the intensified industry competition, revenue of the Target Group dropped from approximately HK\$278.6 million for the year ended 31 December 2014 to approximately HK\$219.0 million for the year ended 31 December 2015, representing an annual decrease of approximately 21.4%. Revenue of the Target Group amounted to approximately HK\$87.2 million for the six months ended 30 June 2016, as compared to approximately HK\$142.0 million for the corresponding period in 2015. According to the unaudited management accounts of the Target Group, the Target Group turned from a profit making position of approximately HK\$26.2 million for the year ended 31 December 2014 to a loss making position of approximately HK\$27.4 million for the year ended 31 December 2015. The Target Group continued to record loss of approximately HK\$37.1 million for the six months ended 30 June 2016.

Furthermore, on 11 August 2016, the People's Bank of China published the results of renewal of the first batch of payment business licenses. The payment license held by the Target Group was renewed for five years until 2 May 2021, covering four permitted payment gateways, namely: (a) internet payment; (b) mobile phone payment; (c) fixed line telephone payment; and (d) bank card acceptance (principally permitting payment through physical point-of-sale (POS) terminals at retail shops). While the scope of permitted business under the three former means of payment remains intact after the renewal, the permitted scope of bank card acceptance business of the Target Group was restricted from nationwide (before the renewal) to four specified provinces and one specified city (after the renewal). The Directors consider that, with geographical limitation on the renewed license so far as bank card acceptance business is concerned, the original business plan of the Target Group in relation to its offline development through cooperation with, and POS-terminal installation at, nationwide retail chains in China would be affected.

In view of the oligopoly situation of the third-party online payment market in the PRC as well as the deteriorating historical financial performance and the worsening operating environment of the Target Group, the Company holds a conservative view about the prospect of the Target Group.

The Disposal is not part of a series of arrangements to circumvent any Listing Rules requirements, but was decided upon by the Directors by reference to genuine business considerations as summarized above in this announcement. Since around March 2016, the Company has been conducting internal business assessment with the management of the Target Group and H&R (the non-controlling shareholder of the Target Group) with the view to formulating business strategies to improve the financial performance of the Target Group going forward, including possibly an enhanced budget plan involving extra spending by the Target Group on business development, marketing campaigns, equipment, staff and research efforts which essentially called for the need of further capital injection by the shareholders of the Target Group (including the Company). During such conversations, H&R raised for the first time the possibility of buying out the Company's shareholding interest in the Target Group. However, during the negotiations which took place between the Company and H&R from April 2016 to August 2016, the parties have yet to reach a consensus on the terms and conditions of the possible Disposal, including in particular the amount of Consideration. It was not until around late September 2016, the parties eventually came to a reconcilable range in terms of the Consideration for the Disposal.

The Directors consider that the Disposal represents a good opportunity for the Group to realize its remaining investment in the Target Group and allows the Group to reallocate its resources to its other existing businesses and other investment opportunities as and when they arise. The Board intends to apply the aggregate Consideration of HK\$158.0 million to finance the development of the other existing businesses of the Group, to finance other investment opportunities as and when they arise, and for the Group's general working capital. However, apart from the proposed acquisition of 100% shareholding interest in Hooray Asset Management Limited as announced by the Company on 20 September 2016, the Company has yet to identify any other suitable investment opportunity. Save as the acquisition of Hooray Asset Management Limited, as at the date of this announcement, the Company is not under negotiation with any parties, nor has entered into any agreement, arrangement, undertaking and/or understanding in respect of acquisition of any companies and/or business. In particular, the Company has no intention to acquire the remaining 51% interest in Qinghui Properties Limited.

Having considered all of the above factors, the Directors (including all the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable, and that the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

9. LISTING RULES IMPLICATIONS

As at the date of this announcement, the Target Company is beneficially owned as to 51% by the Company and as to 49% by H&R (which is, in turn, 50% owned by the Purchaser). In addition, Ms. Ren Lili is a director of the Target Company. Accordingly, the Purchaser is a connected person of the Company (at the subsidiary level rather than at the Company's level) and thus the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that (i) the Board considers that the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) the Board has approved the Sale and Purchase Agreement and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, the Sale and Purchase Agreement and the transactions contemplated thereunder fall within the exemption under Rule 14A.101 of the Listing Rules and are subject to the reporting and announcement requirements but exempted from the circular, independent financial advice and shareholders' approval requirements of Chapter 14A of the Listing Rules.

However, as the relevant percentage ratios of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

An EGM will be convened at which an ordinary resolution will be proposed to seek the Shareholders' approval of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Disposal).

The Purchaser is wholly owned by Ms. Ren Lili. Accordingly, Ms. Ren Lili is deemed to be interested in the Disposal and shall abstain from voting on the resolution to be proposed at the EGM to approve the Disposal. The Purchaser confirmed to the Company that as at the date of this announcement, Ms. Ren Lili and her associates do not hold any Shares. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders (save and except for Ms. Ren Lili) has any material interest in the Disposal and therefore, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the Disposal.

10. GENERAL

A circular containing, among other things, details of the Disposal, principal terms of the Sale and Purchase Agreement, the financial information of the Group and the Target Group, the notice of the EGM and other information as required under the Listing Rules is expected to be despatched by the Company to the Shareholders on or before 30 November 2016 as additional time is required to prepare and finalise the information to be included in the circular.

Completion is conditional upon the satisfaction of the Condition set out in the section headed "Condition Precedent" in this announcement, including the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder by Shareholders at the EGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

"Advances"	all the liabilities (including loans, advances, prepayments and inter-company accounts) owed by relevant members of the Remaining Group to relevant members of the Target Group as at the Completion Date
"associate(s)"	having the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors

“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Universal Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange (stock code: 1026)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the tenth Business Day after the satisfaction of the Condition, or such later date as agreed by the Parties in writing prior to Completion
“Condition”	the condition precedent for the Completion, as set out in the paragraph headed “Condition Precedent” of this announcement
“connected person(s)”	having the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of HK\$158.0 million payable by the Purchaser to the Vendor in respect of the Disposal
“Director(s)”	director(s) of the Company from time to time
“Disposal”	disposal of the Sale Shares by the Vendor to the Purchaser and the simultaneous assignment of the Net Shareholders Loans by the relevant members of the Remaining Group to the Purchaser (or its nominees) in accordance with the terms and conditions of the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“Encumbrances”	any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind
“Group”	the Company and its subsidiaries

“H&R”	H and R Group Limited, a company incorporated in the British Virgin Islands with limited liability, a 50% owned entity of the Purchaser and the 49% shareholder of the Target Company as at the date of the Sale and Purchase Agreement
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Long Stop Date”	the date by which the Condition shall be satisfied with the Vendor’s reasonable endeavours, being 31 December 2016, or such later date as agreed by the Parties in writing
“Net Shareholders Loans”	the net amount of the Shareholders Loans after the set-off of the relevant Advances against the relevant Shareholders Loans
“Parties”	collectively, the Vendor and the Purchaser, and a “Party“ shall mean either of them
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Previous Disposal Agreement”	the sale and purchase agreement dated 29 October 2014 entered into between the Vendor and H&R in relation to, among other things, the disposal by the Vendor to H&R of 49% of the issued share capital of the Target Company
“Purchaser”	Brilliant Dragon Investment Limited, a company incorporated in the British Virgin Islands with limited liability, the purchaser of the Sale and Purchase Agreement and a 50% shareholder of H&R
“Remaining Group”	collectively, all the companies under the Group excluding the Target Group
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 2 November 2016 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares and the simultaneous assignment of the Net Shareholders Loans
“Sale Shares”	49,908,600 ordinary shares in the issued share capital of the Target Company, representing 51% of the issued share capital of the Target Company

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders Loans”	all the liabilities (including loans, advances, prepayments and inter-company accounts) owed by relevant members of the Target Group to relevant members of the Remaining Group as at the Completion Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	include (a) companies or business undertakings which fall under the definition of “subsidiary” in the Companies Ordinance (Cap 622) of Hong Kong; and (b) companies whose financial results and economic benefit are effectively captured under a VIE (variable interest entity), management or operative contracts or any other similar structures, and a “subsidiary” shall be construed accordingly
“Target Company”	International Payment Solutions Holdings Limited (環球國際支付控股有限公司), a company incorporated in Hong Kong with limited liability, which is directly owned as to 51% by the Vendor and as to 49% by H&R as at the date of the Sale and Purchase Agreement
“Target Group”	Target Company and its subsidiaries and associate companies
“Tax”	all forms of tax, levy, duty, impost, deductions or withholding of any nature imposed, levied, withheld or assessed by any taxing or other similar authority in any part of the world and includes any interest, additional tax, penalty or other charges payable in respect thereof
“Vendor”	Universal Cyberworks International Ltd., a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability
“VIE Agreements”	the agreements executed for the purpose of establishing the VIE Structure between the Group and VIE Co, details of which are set out in the Company’s announcement dated 18 August 2015
“VIE Co”	Universal eCommerce China Limited (上海環迅電子商務有限公司), a company incorporated in the PRC with limited liability
“VIE Group”	collectively, VIE Co and its subsidiaries

“VIE Structure”	the contractual arrangements through which the financial results of certain entities are consolidated with the financial results of other entities as “variable interest entities” (as defined in Hong Kong and International Financial Reporting Standards)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 2 November 2016

As at the date of this announcement, the Board of Directors of the Company comprises four executive Directors namely Mr. Chen Jinyang (Chairman), Mr. Chau Cheuk Wah (Chief Executive Officer), Mr. Zhou Jianhui and Ms. Zhu Fenglian; one non-executive Director namely Ms. Zhang Haimei; and three independent non-executive Directors namely Dr. Cheung Wai Bun, Charles, J.P., Mr. David Tsoi and Mr. Chao Pao Shu George.