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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)

CONNECTED TRANSACTION

The Board wishes to announce that on 25 May 2021, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire from the Vendor, and the Vendor agreed to sell, the entire issued share capitals of the Target Companies for a total cash consideration of HK\$36,500,000.

As the Vendor is a connected person of the Company, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the Acquisition is conducted on normal commercial terms or better and the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are all less than 5%, under Rule 14A.76(2)(a) of the Listing Rules, the Acquisition is exempt from circular (including independent financial advice) and independent shareholders' approval requirements but is only subject to reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Acquisition is subject to the fulfillment or waiver of conditions precedent, including the obtaining of the approval of the SFC regarding the change of substantial shareholder of licensed corporations, and may or may not proceed to Completion. Shareholders and investors should exercise caution in dealing with the securities of the Company.

ACQUISITION AGREEMENT

Date

25 May 2021

Parties

- (1) The Purchaser; and
- (2) The Vendor.

The Purchaser is a company incorporated in Hong Kong with limited liability principally engaged in investment holdings. The Purchaser is a wholly-owned subsidiary of the Company.

The Target Companies are Hooray Securities and Hooray Capital. Prior to the entering into of the Acquisition Agreement, the entire issued share capitals of the Target Companies were legally and beneficially owned by the Vendor. The Vendor, Ms. Zhu, is an executive Director of the Company. Ever City (a controlled corporation of the Vendor) is a substantial shareholder of the Company interested in, directly and indirectly through Eastcorp, 1,561,140,000 Shares, representing approximately 28.32% of the issued share capital of the Company. The Vendor is a connected person of the Company.

Subject matter

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire from the Vendor, and the Vendor agreed to sell, the entire issued share capitals of the Target Companies. The Vendor warrants to the Purchaser that as at Completion, the Target Companies shall continue to meet the minimum liquid capital required by the SFC and shall not have any liabilities (whether current or non-current, actual or contingent).

Following completion of the Acquisition Agreement, the Target Companies will become wholly-owned subsidiaries of the Company.

Consideration

The total cash consideration for the Acquisition amounts to HK\$36,500,000 which shall be payable by the Purchaser to the Vendor in cash on Completion. The consideration for the Acquisition was arrived at after arm's length negotiations between the Purchaser and the Vendor, taking into account the net asset value of the Target Companies.

The consideration for the Acquisition is intended to be funded from the internal resources of the Group.

Conditions precedent

Completion of the Acquisition Agreement is conditional upon, amongst other things:

- (a) the Purchaser being satisfied with its due diligence conducted over the Target Companies;
- (b) there being no litigations, regulatory investigations, sanctions or penalties affecting the Target Companies at Completion;
- (c) there being no material adverse changes to the Target Companies having taken place between signing and Completion, including the minimum liquid capital required by the SFC being met, no charges or guarantees having been made in respect of any assets of the Target Companies, and the Target Companies owing no external loans or shareholder's loans;

- (d) the Target Companies maintaining all relevant permits, licenses and participation rights for its operations;
- (e) there being no changes to the responsible officers of the Target Companies before Completion; and
- (f) the Purchaser having obtained all regulatory approvals regarding the Acquisition, including approval by the SFC.

Save for and except condition (f) above which cannot be waived, all the other conditions precedent can be waived at the discretion of the Purchaser. However, the Purchaser has no intention to waive any condition which may unjustifiably expose it to additional risk or unjustifiably result in its economic interest being adversely affected.

The long stop date for the fulfillment or waiver of the conditions precedent is 30 November 2021 (or such later date as the parties may mutually agree) (the “**Long Stop Date**”). Completion shall take place within fifteen business days after the last condition precedent is fulfilled or waived. If the conditions precedent are not satisfied by the Long Stop Date, the parties may elect to extend the Long Stop Date further or to terminate the Acquisition Agreement, in which case all rights and obligations of the parties thereunder shall cease forthwith without prejudice to any rights and obligations of the parties which might have accrued before termination.

INFORMATION ON THE TARGET COMPANIES

Hooray Securities

Hooray Securities is a company incorporated in Hong Kong with limited liability and a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activities under the SFO. Hooray Securities is principally engaged in the business of securities brokerage.

Based on the audited financial statements provided by the Vendor, (a) the total and net assets of Hooray Securities as at 31 December 2020 were approximately HK\$44,135,000 and HK\$30,228,000, respectively; (b) the total revenue of Hooray Securities for the years ended 31 December 2020 and 2019 were approximately HK\$1,447,000 and HK\$1,979,000, respectively; (c) the audited loss before and after taxation of Hooray Securities for the year ended 31 December 2020 were both approximately HK\$11,611,000; and (d) the audited loss before and after taxation of Hooray Securities for the year ended 31 December 2019 were both approximately HK\$8,914,000.

Hooray Capital

Hooray Capital is a company incorporated in Hong Kong with limited liability and a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activities under the SFO. Hooray Capital is subject to licensing conditions that it shall not hold client assets, and shall not act as sponsor in respect of listing applications. Hooray Capital is principally engaged in the business of financial advisory services.

Based on the audited financial statements provided by the Vendor, (a) the total and net assets of Hooray Capital as at 31 December 2020 were approximately HK\$4,976,000 and HK\$2,602,000, respectively; (b) the total revenue of Hooray Capital for the years ended 31 December 2020 and 2019 were approximately HK\$170,000 and HK\$195,000, respectively; (c) the audited profit before and after taxation of Hooray Capital for the year ended 31 December 2020 were both approximately HK\$1,035,000; and (d) the audited loss before and after taxation of Hooray Capital for the year ended 31 December 2019 were both approximately HK\$2,724,000.

REASONS FOR THE ACQUISITION

The Group is principally engaged in investment holding, property investment and development, building management and water supply and related services. The Group currently holds licenses to carry out type-9 (asset management) regulated activities under the SFO and lending business under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and considers that the securities brokerage and financial advisory businesses of the Target Companies would be complimentary to the existing financial licenses held by the Group with the view to developing the Group into an integrated financial holding company providing full-range financial services to our customers.

The Directors (including the independent non-executive Directors but excluding Ms. Zhu who has a material interest in the Acquisition) considered that the Acquisition and its terms (including the consideration) are fair and reasonable, on normal commercial terms or better to the Company, and in the interest of the Company and its Shareholders as a whole. Ms. Zhu abstained from voting on the Board's decision regarding the Acquisition as she is the Vendor and is regarded to have a material interest in the Acquisition.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendor is a connected person of the Company, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the Acquisition is conducted on normal commercial terms or better and the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are all less than 5%, under Rule 14A.76(2)(a) of the Listing Rules, the Acquisition is exempt from circular (including independent financial advice) and independent shareholders' approval requirements but is only subject to reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Acquisition is subject to the fulfillment or waiver of conditions precedent, including the obtaining of the approval of the SFC regarding the change of substantial shareholder of licensed corporations, and may or may not proceed to Completion. Shareholders and investors should exercise caution in dealing with the securities of the Company.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the entire issued share capitals of the Target Companies by the Purchaser from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement entered into between the Purchaser and the Vendor dated 25 May 2021 in relation to the Acquisition
“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Universal Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange with stock code 1026
“Completion”	completion of the Acquisition Agreement
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Eastcorp”	Eastcorp International Limited, a company incorporated in the British Virgin Islands with limited liability, the owner of 600,000,000 Shares (representing approximately 10.88% of the issued share capital of the Company) and a wholly-owned subsidiary of Ever City
“Ever City”	Ever City Industrial Development Limited, a company incorporated in Hong Kong with limited liability, the owner of 1,561,140,000 Shares (representing approximately 28.32% of the issued share capital of the Company) directly and indirectly (through Eastcorp) and a controlled corporation wholly and beneficially owned by the Vendor
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hooray Capital”	Hooray Capital Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activities under the SFO

“Hooray Securities”	Hooray Securities Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activities under the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Zhu” or the “Vendor”	Ms. Zhu Fenglian, an executive Director and the Vendor of the Acquisition
“Purchaser”	Universal Technologies Capital Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and the purchaser in the Acquisition
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“Target Companies”	collectively, Hooray Securities and Hooray Capital, the entire issued share capitals of which being owned by the Vendor prior to the entering into of the Acquisition Agreement

By Order of the Board
UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED
Chen Jinyang
Chairman & Chief Executive Officer

Hong Kong, 25 May 2021

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