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UTS MARKETING SOLUTIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6113)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE ADVANCE TO AN ENTITY THIRD EXTENSION OF THE REPAYMENT DATE

Reference is made to the announcements of the Company dated 31 January 2019, 8 July 2019, 8 July 2020, 10 July 2020 and 28 June 2021.

On 24 June 2022, UTS Malaysia, Exsim and Mightyprop entered into the Third Extension Agreement, pursuant to which Exsim has undertaken to repay the Advance on or before 30 June 2023 with the interest calculated at the rate of 11% per annum accrued from 1 July 2022 up to the date of repayment on a daily basis and UTS Malaysia agreed to such arrangement.

The Third Extension Agreement constitutes financial assistance under the Listing Rules. As the highest applicable percentage ratio as calculated under Rule 14.06 of the Listing Rules in respect of the Third Extension Agreement is more than 5% but less than 25%, the Third Extension Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Third Extension Agreement is subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

Since the Advance in the sum of RM12,000,000 is more than 8% of the assets ratio, it is required to be announced under Rule 13.13 of the Listing Rules.

Reference is made to the announcements of UTS Marketing Solutions Holdings Limited (the “**Company**”) dated 31 January 2019, 8 July 2019, 8 July 2020, 10 July 2020 and 28 June 2021 (collectively, the “**Announcements**”) in relation to the Agreement dated 31 January 2019 entered into between UTS Malaysia, Exsim and Mightyprop in relation to the Advance. Unless otherwise stated, capitalised terms used herein shall denote the same meanings as those defined in the Announcements.

As disclosed in the Announcements, Exsim has undertaken to repay the Advance in the sum of RM12,000,000 in full on or before 30 June 2022, with the interest calculated at the rate of 11% per annum accrued from 1 July 2021 up to the date of repayment on a daily basis.

THIRD EXTENSION AGREEMENT

Upon further negotiations between UTS Malaysia, Exsim and Mightyprop, on 24 June 2022, the parties entered into a third extension agreement (the “**Third Extension Agreement**”), pursuant to which Exsim has undertaken to repay the Advance on or before 30 June 2023 and to pay the interest calculated at the rate of 11% per annum accrued from 1 July 2022 up to the date of repayment on a daily basis and UTS Malaysia agreed to such arrangement (the “**Third Extension**”).

Save for the aforesaid, all other terms of the Agreement shall remain the same and in full force and effect.

CONDITION PRECEDENT

The Third Extension Agreement shall be subject to the condition precedent that the Company having complied with all the requirements under the Listing Rules.

INFORMATION OF EXSIM AND MIGHTYPROP

As at the date of this announcement, Exsim and Mightyprop are principally engaged in the business of property development in Malaysia. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Exsim, Mightyprop and their respective ultimate beneficial owners are Independent Third Parties and not connected with the Group as at the date of this announcement. The ultimate beneficial owners of Exsim and Mightyprop are Lim Aik Hoe, Lim Aik Kiat and Lim Aik Fu.

REASONS FOR, AND BENEFITS OF, THE THIRD EXTENSION AGREEMENT

The Company and its subsidiaries principally provide telemarketing services of financial products for its clients which are mainly banks and insurance companies.

Given the wishes of the Group to fully utilize the financial resources and the potential return of the Advance is higher than merely depositing the financial resources of the Group in commercial banks, the Group has decided to enter into the Third Extension Agreement.

The terms of the Third Extension Agreement were negotiated on an arm’s length basis between the Group and Exsim based on, amongst others, the financial conditions of Exsim, the Group’s assessment on the source of funds for repayment and the business conditions of Exsim and Mightyprop and the business plans of the Group in the forthcoming year. Taking into account the interest income expected to be generated as a result of the Third Extension, the Directors consider that the terms and conditions of the Third Extension Agreement are on normal commercial terms and are fair and reasonable and that the Third Extension Agreement is in the interest of the Company and the Shareholders as a whole.

The Board considers that, despite the Third Extension Agreement, there will not be any material adverse impact on the existing business operations and prospects of the Group.

LISTING RULES IMPLICATIONS

The Third Extension Agreement constitutes financial assistance under the Listing Rules. As the highest applicable percentage ratio as calculated under Rule 14.06 of the Listing Rules in respect of the Third Extension Agreement is more than 5% but less than 25%, the Third Extension Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Third Extension Agreement is subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

Further, the Advance in the sum of RM12,000,000 is more than 8% of the assets ratio, it is required to be announced under Rule 13.13 of the Listing Rules.

As none of the Directors has a material interest in the Third Extension Agreement, no Director is required to abstain from voting on the relevant resolutions.

By Order of the Board
UTS Marketing Solutions Holdings Limited
Ng Chee Wai
Chairman

Hong Kong, 24 June 2022

As at the date of this announcement, the executive Directors are Mr. Ng Chee Wai (Chairman), Mr. Lee Koon Yew (Chief Executive Officer) and Mr. Kwan Kah Yew; and the independent non-executive Directors are Mr. Lee Shu Sum Sam, Mr. Kow Chee Seng and Mr. Chan Hoi Kuen Matthew.