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UTS MARKETING SOLUTIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6113)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE ADVANCE TO AN ENTITY FOURTH EXTENSION OF THE REPAYMENT DATE

Reference is made to the announcements of UTS Marketing Solutions Holdings Limited (the “**Company**”) dated 3 July 2023 (the “**Announcement**”) in relation to the Fourth Extension Agreement. Unless otherwise stated, capitalised terms used herein shall denote the same meanings as those defined in the Announcement.

The Company is pleased to provide the following supplemental information on the Fourth Extension Agreement:

Underlying reason for Exsim to further extend the repayment date

The Group had discussed with the management of Exsim and Mightyprop and understand that an extension to repay the principal sum of RM12 million to a further 12-month was requested because Mightyprop was in need of continuing financing for its development projects which are in good progress with majority of the development projects with at least 99% booking rate. The earliest estimated completion date of the Mightyprop projects is expected to be in 2024. Therefore, the Company had agreed to grant the extension for another 12 months to align with the tentative completion schedule.

Total interest income received by the Company

All interests accrued on the Advance up to 30 June 2023 has been fully paid and received by the Company. Up to the date of this announcement, the Company has received interest payment in an aggregate amount of approximately RM5.52 million from Mightyprop.

Credit Assessment and due diligence performed by the Company

The Company's management has performed the following assessment before deciding to enter into the Fourth Extension Agreement with Exsim and Mightyprop:

1. discussed with the management of Exsim and Mightyprop and understand from them the reasons for further extension;
2. obtained and reviewed the latest audited financial statements of Mightyprop and assess the financial conditions of Mightyprop. Based on the audited financial statements of Mightyprop for the year ended 31 December 2022, the directors of the Company considered that Mightyprop was in sound financial position. The Company has also calculated various financial ratios (including, inter alia, the profitability ratio, the liquidity ratios, the asset turnover ratios and financial leverage ratios) and consider all of them to be acceptable;
3. obtained reports and reviewed the status of the Mightyprop projects regularly;
4. discussed with the management of Mightyprop on the updated status of the Mightyprop projects at regular intervals;
5. conducted site visit of the Mightyprop projects and noted that the construction works are in good progress;
6. conducted market research on the general property market conditions in Malaysia at regular intervals, which indicates that it is likely the property market in Malaysia will in general remain relatively stable in the forthcoming 12 months;
7. obtained various market intelligence on Exsim and Mightyprop, the results of which did not reveal any unusual circumstances on Exsim nor Mightyprop (such as litigations, winding-up petitions, etc.);
8. consulted legal advices from its legal advisors and discussed potential options available to the Company to safeguard the assets of the Group and the Group was advised that, given the current situations and the costs and resources involved, taking legal actions against Exsim and Mightyprop may not be the best options for the Group to pursue at this stage;
9. if the Company proceeds to take legal action against Exsim and Mightyprop, the business relationship developed between the Company and the aforesaid parties will be totally destroyed immediately and this may affect the business plan of the Company in the long run; and
10. the Company was all along able to maintain good communication with Exsim and Mightyprop. Exsim and Mightyprop are very co-operative and willing to share update and sometimes taking their own initiatives to notify the Company's management in advance on any latest development on the projects. The Company's management did not find any difficulty to obtain the requested reports to assist with the assessment and evaluation.

After taking the above actions and considering the risks involved, the Company's management considers that the possibility of default on the part of Exsim and Mightyprop to repay the Advance is remote. Nevertheless, the Company has negotiated with Exsim and Mightyprop and increased the interest rate from 11% to 12% in return for the extended term of the Advance.

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

Hong Kong, 27 July 2023

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.