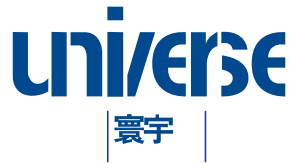


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## **UNIVERSE INTERNATIONAL HOLDINGS LIMITED**

**寰宇國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1046)**

### **DISCLOSEABLE TRANSACTION – ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL IN A LICENSED CORPORATION**

#### **ACQUISITION**

The Board is pleased to announce that after trading hours on 24 June 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the SP Agreement pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing 100% of the issued shares of the Target. The Target is licensed under the SFO to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

The Consideration for the Acquisition is HK\$30,000,000, which shall be settled by way of (i) the Company issuing the Promissory Note in the aggregate principal amount of HK\$18,291,025 to Vendor A upon Completion; and (ii) the Purchaser accepting the novation of the Advance to Vendors. The Promissory Note matures on the second anniversary after its issue and bears interest at a rate of 6% per annum. As at the date of this announcement, the Advance to Vendors amounted to HK\$11,708,975.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio under the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

The Board is pleased to announce that after trading hours on 24 June 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the SP Agreement pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing 100% of the issued share capital of the Target. The Target is licensed under the SFO to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

The Consideration for the Acquisition is HK\$30,000,000.

\* *for identification purposes only*

Major terms of the SP Agreement are set out below:

## **THE SP AGREEMENT**

### **Date**

24 June 2016

### **Parties to the SP Agreement**

- (i) Purchaser: Honest Novel Holdings Limited 穎誠控股有限公司, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
- (ii) Vendors: Vendor A – a company incorporated in the British Virgin Islands with limited liability; and  
Vendor B – an individual.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Vendor A, its ultimate beneficial owners and Vendor B are Independent Third Parties and Vendor A is principally engaged in investment holding.

### **Assets to be acquired**

Pursuant to the terms and conditions of the SP Agreement, the Purchaser has conditionally agreed to acquire 100% of the issued shares of the Target from the Vendors.

As at the date of this announcement, Vendor A holds 9,999,999 shares in the Target and Vendor B holds 1 share in the Target, representing in aggregate all of the issued shares of the Target.

### **Consideration**

The Consideration for the Acquisition is HK\$30,000,000. The Consideration was arrived at after arm's length negotiations between the Vendors and the Purchaser principally with reference to the fair market value of a 100% equity interest in the business enterprise of the Target as at 31 March 2016, based on a valuation report prepared by an independent professional valuer based on market approach (the "**Valuation Report**"). Based on such valuation report, the fair market value of the Target as at 31 March 2016 is reasonably stated by the amount of HK\$33,261,000.

The Consideration shall be settled by way of (i) the Company issuing the Promissory Note in the principal amount of HK\$18,291,025 to Vendor A upon Completion; and (ii) the Purchaser accepting the novation of the Advance to Vendors.

A summary of the principal terms of the Promissory Note are set out in the sub-paragraph headed "The SP Agreement – Promissory Note" below.

As at the date of this announcement, the Advance to Vendors amounted to HK\$11,708,975 and with effect from Completion, the Purchaser will assume the obligation to repay the Advance to Vendors. It is a term of the SP Agreement that the amount of the Advance to Vendors from the date of the SP Agreement up to the Completion Date shall not be altered.

### **Conditions Precedent**

Completion of the Acquisition is conditional upon fulfillment or waiver (as the case may be) of the following conditions precedent:

- (1) the due diligence and investigation of the Target to be carried out having been completed to the satisfaction of the Purchaser;
- (2) the warranties and undertakings given by the Vendors under the SP Agreement remaining true and accurate in all material respects and not misleading in any material respect up to the Completion Date;
- (3) the transactions contemplated under the SP Agreement having complied with the requirements under the SFO by the Target and the Vendors;
- (4) the Securities and Futures Commission of Hong Kong having granted the approval or consent or having no objection (as the case may be) to the Acquisition and other transactions contemplated thereunder; and
- (5) there being no material adverse effect on the Target up to the Completion Date.

The fulfilment of conditions (1), (2) and (5) are capable of being waived by the Purchaser. Save as aforesaid, none of the conditions is capable of being waived by any party to the SP Agreement.

If any of the conditions precedent is not fulfilled or (if applicable) waived on or before 5:00 p.m. on 24 June 2017 (or such other date as the Purchaser and the Vendors may agree in writing), the SP Agreement shall cease and determine (save and except for clauses relating to confidentiality, notice, governing law etc. which shall continue to have full force and effect) and thereafter neither party to the SP Agreement shall have any obligations and liabilities towards each other save for any antecedent breaches.

### **Completion**

Completion shall take place on the fifth business day after the fulfillment or (if applicable) waiver of all the conditions precedent (or such other date as the Purchaser and the Vendors may agree).

Immediately after Completion, the Company will own 100% of the issued shares of the Target and will consolidate the results of the Target in the financial statements of the Group.

## Promissory Note

Pursuant to the SP Agreement, the Company will issue to Vendor A the Promissory Note in the principal amount of HK\$18,291,025 upon Completion to settle part of the Consideration. The principal terms of the Promissory Note are summarised as follows:

- Issuer: the Company
- First Noteholder: Vendor A
- Principal Amount: HK\$18,291,025 (“**Principal Amount**”)
- Interest: The Promissory Note bears interest at the rate of 6% per annum. The Company shall pay to the holder of the Promissory Note (“**Noteholder**”) interest on the outstanding Principal Amount on the same calendar day falling on the 6th month, the 12th month, the 18th month from the first issue date of the Promissory Note and on the maturity date.
- Maturity date: Unless otherwise redeemed by the Company, the outstanding Principal Amount shall be repaid on the day falling on the second anniversary of the first issue date of the Promissory Note (or if such day is not a business day in Hong Kong, the immediately preceding day) (“**Maturity Date**”).
- Transferability: The Noteholder may assign or transfer the Promissory Note or any part thereof to any third party by endorsement provided that a duly completed endorsement form in respect of the transfer or assignment has been served on the Company 10 days in advance of such transfer or assignment.
- Early redemption by the Company: The Company may in its sole discretion elect to redeem all or any of the amount outstanding under the Promissory Note at any time prior to the Maturity Date by delivery to the Noteholder a cashier order in an amount equal to the aggregate of (i) such amount of the Principal Amount to be redeemed; and (ii) the accrued but unpaid interest in respect of such amount of the Principal Amount up to the date of redemption.

## INFORMATION ON THE TARGET

The Target is incorporated in Hong Kong with limited liability and is licensed under the SFO to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. The shareholding structure of the Target as at the date of this announcement is set out in the paragraph headed “The SP Agreement – Assets to be acquired” above.

Set out below is the summary of the key financial information extracted from the unaudited financial statement of the Target for the year ended 31 March 2016 and the audited financial statement of the Target for the year ended 31 March 2015:

	<b>For the year ended 31 March 2015 (audited) HK\$'000</b>	<b>For the year ended 31 March 2016 (unaudited) HK\$'000</b>
Profit before taxation	1,451	3,750
Profit after taxation	978	3,128

The unaudited total asset value and unaudited net asset value of the Target as at 31 March 2016 were approximately HK\$32.0 million and HK\$14.0 million respectively.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in film distribution and exhibition, licensing and sublicensing of film rights, properties and securities investment, money lending, trade, wholesale and retail of optical products, watch and jewellery products, securities brokerage and margin financing, training and coaching.

Reference is made to the Company's announcement dated 25 May 2016 relating to the proposed change of the English name of the Company to "Universe International Financial Holdings Limited" and the secondary name in Chinese of the Company to "寰宇國際金融控股有限公司". As indicated in such announcement, it is the intention of the Group to leverage on the expertise of the management in the licensed corporation (Type 1 (dealing in securities) and Type 4 (advising on securities)) acquired by the Group in November 2015 to further develop the Group's financial services. The Directors considered the Acquisition as a further step to strengthen the Group's foothold in the financial services industry.

Based on the Valuation Report, the Valuation of the Target as at 31 March 2016 is HK\$33,261,000. The Consideration is therefore, at a discount to the valuation of the Target. As stated in the interim report of the Company as at 31 December 2015, the non-secured borrowing cost of the Company is at 2.75% to 10% per annum. Therefore, the interest rate of 6% per annum of the Promissory Note is within the range.

In view of the above, the Directors are of the view that the terms of the SP Agreement (including the Consideration and the terms of the Promissory Note, which will in substance defer the Company's obligation to settle part of the Consideration) are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders as a whole are concerned, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio under the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	the conditional acquisition of 100% of the issued share capital of the Target by the Purchaser pursuant to the terms and conditions of the SP Agreement
“Advance to Vendors”	the amount advanced by the Target to the Vendors prior to the date of the SP Agreement and remains outstanding as at the date of this announcement, amounting to HK\$11,708,975
“Board”	the board of Directors
“Company”	Universe International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (Stock code:1046)
“Completion”	the completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SP Agreement
“Completion Date”	means the fifth Business Day after all the conditions precedent shall have been fulfilled or waived on which the Completion shall take place (or such other date as the Purchaser and the Vendors may agree)
“Consideration”	the consideration for the purchase of the Sale Shares under the SP Agreement payable by the Purchaser, being HK\$30,000,000
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party/Parties”	third party/parties who are independent of and not connected with the Company and its connected persons (within the meaning of the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Promissory Note”	the promissory note to be issued by the Company pursuant to the SP Agreement in favour of Vendor A in the principal amount of HK\$18,291,025 upon Completion to satisfy a portion of the Consideration

“Purchaser”	Honest Novel Holdings Limited 穎誠控股有限公司, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Shares”	10,000,000 issued shares of the Target, which represent 100% of the issued share capital of the Target as at the date of this announcement and as at Completion. The Sale Shares are owned as to 9,999,999 Sale Shares by Vendor A and 1 Sale Share by Vendor B
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“SP Agreement”	the agreement dated 24 June 2016 entered into by and among the Purchaser and the Vendors in relation to the sale and purchase of 100% of the issued share capital of the Target
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Ample Capital Limited 豐盛融資有限公司, a company incorporated in Hong Kong with limited liability
“Vendor A”	a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party
“Vendor B”	an individual and an Independent Third Party
“Vendors”	collectively, Vendor A and Vendor B
“%”	per cent.

On behalf of the Board  
**Universe International Holdings Limited**  
**Lam Shiu Ming, Daneil**  
*Chairman and Executive Director*

Hong Kong, 24 June 2016

*As at the date of this announcement, the executive Directors are Mr. Lam Shiu Ming, Daneil, Mr. Hung Cho Sing, Ms. Cheng Hei Yu and Mr. Lam Kit Sun, the non-executive Director is Mr. Chan Shiu Kwong Stephen, and the independent non-executive Directors are Mr. Lam Wing Tai, Mr. Choi Wing Koon and Mr. Lam Chi Keung.*