



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: 8091)

FINAL RESULTS ANNOUNCEMENT

For the year ended 31 December 2007

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which these companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at “www.hkgem.com” in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the “Directors”) of Universal Technologies Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the requirement of the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on the basis and assumptions that are fair and reasonable.

* for identification purpose only

Highlights of the year

- Turnover for the year ended 31 December 2007 amounted to approximately HK\$72.3 million (2006: HK\$40.5 million), representing an increase of approximately 78% over the last fiscal year.
- As at 31 December 2007, the Group had net current assets of approximately HK\$78.3 million (2006: HK\$34.7 million), including cash and bank balances of approximately HK\$97.2 million (2006: HK\$56.1 million).
- As at 31 December 2007, the Group had total assets of approximately HK\$227.4 million (2006: HK\$114.4 million).
- Net profit for the year ended 31 December 2007 was approximately HK\$12.65 million (2006: HK\$5.56 million), representing an increase of approximately 127% over the last fiscal year. The main reason for the increase in net profit was attributable to the effective control of costs and the increase in profit derived from the booming internet payment services.
- Basic and diluted earning per share for the year ended 31 December 2007 amounted to approximately HK\$1.11 cent and HK\$1.09 cent respectively (2006: HK\$0.71 cent and HK\$0.68 cent).
- The board of directors does not recommend payment of any dividend for the year ended 31 December 2007 (2006: Nil).

RESULTS

The board of Directors (the “Board”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the “Group”) for the year ended 31 December 2007 together with the comparative audited figures as follows:-

	<i>Note</i>	2007 HK\$'000	2006 HK\$'000
Turnover	3	72,265	40,546
Cost of sales/services rendered		<u>(27,338)</u>	<u>(11,404)</u>
Gross profit		44,927	29,142
Other revenue	3	2,796	2,157
Impairment loss on goodwill		(22)	-
General and administrative expenses		<u>(33,471)</u>	<u>(24,712)</u>
Profit from operations		14,230	6,587
Finance costs		<u>(248)</u>	<u>(227)</u>
Profit before income tax	4	13,982	6,360
Income tax expense	6	<u>(1,334)</u>	<u>(798)</u>
Profit for the year		<u>12,648</u>	<u>5,562</u>
Dividend	8	<u>-</u>	<u>-</u>
Earnings per share (in cents)			
Basic	9	<u>1.11</u>	<u>0.71</u>
Diluted	9	<u>1.09</u>	<u>0.68</u>

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		9,583	5,530
Prepaid land lease premium		5,063	-
Goodwill		43,050	43,050
Deposit paid for acquisition of a subsidiary		3,060	-
		<u>60,756</u>	<u>48,580</u>
CURRENT ASSETS			
Inventories		9,514	2,207
Debtors		23,862	2,970
Deposits paid to merchant		15,000	-
Trade deposits		6,006	-
Other deposits, prepayments and other receivables		9,403	2,397
Amount due from a related company		2,889	-
Financial assets at fair value through profit or loss		375	-
Prepaid land lease premium		139	-
Pledged time deposits		2,000	104
Unpledged time deposits		280	2,000
Cash and bank balances		97,176	56,092
		<u>166,644</u>	<u>65,770</u>
DEDUCT :			
CURRENT LIABILITIES			
Trade payable		7,444	-
Payable to merchants		72,420	27,158
Deposits received, sundry creditors and accruals		4,829	3,887
Amount due to a director		29	-
Bills payable		3,623	-
		<u>88,345</u>	<u>31,045</u>
NET CURRENT ASSETS			
		<u>78,299</u>	<u>34,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>139,055</u>	<u>83,305</u>
DEDUCT :			
NON-CURRENT LIABILITIES			
Deferred tax liability	7	3,030	1,692
Other payables		-	22,280
		<u>3,030</u>	<u>23,972</u>
NET ASSETS			
		<u>136,025</u>	<u>59,333</u>
REPRESENTING :-			
CAPITAL AND RESERVES			
Share capital		12,869	9,808
Reserves		123,156	49,525
TOTAL EQUITY			
		<u>136,025</u>	<u>59,333</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007

	<i>Share capital</i>	<i>Share premium</i>	<i>Capital reserve</i>	<i>Special reserve</i>	<i>Exchange reserve</i>	<i>Share options reserve</i>	<i>Convertible bonds reserve</i>	<i>Statutory reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
At 1.1.2006	6,682	37,426	1,093	10,754	128	1,122	668	-	(47,761)	10,112
Issue of new shares	1,996	29,016	-	-	-	-	-	-	-	31,012
Conversion of convertible bonds	1,000	9,000	-	-	-	-	(668)	-	-	9,332
Exercise of share options	130	1,086	-	-	-	-	-	-	-	1,216
Transferred to accumulated losses	-	-	-	-	-	(320)	-	-	320	-
Equity settled share-based transactions	-	-	-	-	-	1,132	-	-	-	1,132
Exchange differences arising on translation of financial statements of subsidiaries established in the PRC	-	-	-	-	967	-	-	-	-	967
Profit for the year	-	-	-	-	-	-	-	-	5,562	5,562
Transferred to statutory reserve	-	-	-	-	-	-	-	1,147	(1,147)	-
At 31.12.2006	9,808	76,528	1,093	10,754	1,095	1,934	-	1,147	(43,026)	59,333
At 1.1.2007	9,808	76,528	1,093	10,754	1,095	1,934	-	1,147	(43,026)	59,333
Issue of new shares	1,993	38,026	-	-	-	-	-	-	-	40,019
Equity settled share-based transactions	-	-	-	-	-	2,642	-	-	-	2,642
Exercise of share options	1,068	23,471	-	-	-	(1,968)	-	-	-	22,571
Transferred to accumulated losses	-	-	-	-	-	(1,934)	-	-	1,934	-
Exchange differences arising on translation of financial statements of subsidiaries established in the PRC	-	-	-	-	(1,188)	-	-	-	-	(1,188)
Profit for the year	-	-	-	-	-	-	-	-	12,648	12,648
Transferred to statutory reserve	-	-	-	-	-	-	-	1,495	(1,495)	-
At 31.12.2007	12,869	138,025	1,093	10,754	(93)	674	-	2,642	(29,939)	136,025

Notes:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 27 March 2001 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands. The address of the registered office is Unit 231-233, Building 2, Phase I, No. 1 Science Park West Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.

Pursuant to the reorganisation to rationalise the structure of the Company and its subsidiaries in the preparation for the listing of the Company's shares on The Growth Enterprise Market ("GEM") operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in October 2001, the Company became the holding company of the companies now comprising the Group. The shares of the Company were listed on GEM on 26 October 2001.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below :-

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which also includes Hong Kong Accounting Standards ("HKAS") and Interpretations approved by the HKICPA, and are prepared under the historical cost convention.

In the current year, the Group initially applied the following Hong Kong Financial Reporting Standards:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The initial application of these Hong Kong Financial Reporting Standards does not necessitate material changes in the Group's accounting policies or retrospective adjustments of the comparatives presented.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2007. The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated income statement from the dates of acquisition or to the dates of disposal respectively. All significant intra-group transactions and balances have been eliminated on consolidation.

Minority interests represents the results and net assets of the subsidiaries attributable to equity interests not owned, directly or indirectly, by the Company.

3. TURNOVER AND REVENUE

The Group is principally engaged in investment holding, provision of online payment and related services, timber trading and furniture manufacturing, other trading, system integration and related technical support services. Turnover for the year represents revenue recognised from the provision of online payment handling income net of business tax, the net invoiced value of goods sold, system integration and the related consultancy services at net invoice amount. An analysis of the Group's turnover and other revenue is set out below :-

	<i>2007</i> <i>HK\$'000</i>	<i>2006</i> <i>HK\$'000</i>
Online payment and related services income	37,398	27,159
Timber trading and furniture manufacturing	24,102	-
Other trading, system integration and related technical support services	10,765	13,387
Turnover	72,265	40,546
Interest on bank deposits	767	489
Exchange gain	1,415	108
Others	614	1,560
Total revenue	75,061	42,703

4. PROFIT BEFORE INCOME TAX	2007 HK\$'000	2006 HK\$'000
Profit before income tax is arrived at after charging :-		
Auditor's remuneration	400	325
Staff costs (including directors' remuneration		
- Salaries and other benefits	9,163	4,838
- Pension scheme contributions	1,344	786
- Equity settled share-based payment expenses	2,642	1,132
	13,149	6,756
Depreciation	1,650	1,027
Amortisation of prepaid land lease premium	9	-
Sale proceeds of property, plant and equipment	(5)	(555)
Less : carrying amounts of property, plant and equipment	6	794
Loss on disposal of property, plant and equipment	1	239
Bad debts written off	109	378
Minimum operating lease rentals	2,915	1,847

5. SEGMENT REPORTING

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows :-

(a) Payment enterprise solutions

Provision of payment enterprise solutions and ongoing technical support services.

(b) Trading and system integration

Trading, provision of system integration and related technical support services.

(c) Timber trading and furniture manufacturing

Trading of timber and manufacturing of furniture.

Other operating segment represents the operating segment which does not meet the quantitative threshold for determining reportable segment. It represents investment holding activities.

In determining the Group's geographical segments, revenues are attributable to the segments based on the location of the customers, and assets are attributable to the segments based on the location of the assets.

(a) Business segments

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's business segments :-

	<i>Payment enterprise solutions</i>		<i>Timber trading and furniture manufacturing</i>		<i>Trading and system integration</i>		<i>Others</i>		<i>Consolidated</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
Revenue										
Revenue from external customers	42,028	30,745	24,102	-	6,135	9,801	-	-	72,265	40,546
Other revenue	1,869	1,704	637	-	38	320	252	133	2,796	2,157
Total revenue	43,897	32,449	24,739	-	6,173	10,121	252	133	75,061	42,703
Segment results	22,004	13,950	1,362	-	(352)	(1,082)	(9,551)	(6,770)	13,463	6,098
Interest income									767	489
Profit from operations									14,230	6,587
Finance costs									(248)	(227)
Profit before income tax									13,982	6,360
Income tax expense									(1,334)	(798)
Profit for the year									12,648	5,562
Depreciation for the year	1,234	739	121	-	-	27	295	261	1,650	1,027
Amortisation	-	-	9	-	-	-	-	-	9	-
Impairment of goodwill	-	-	-	-	-	-	22	-	22	-
Segment assets	175,541	103,768	35,630	-	1	5,256	16,228	5,326	227,400	114,350
Unallocated assets	-	-	-	-	-	-	-	-	-	-
Total assets	175,541	103,768	35,630	-	1	5,256	16,228	5,326	227,400	114,350
Segment liabilities	75,685	30,233	12,044	-	-	523	616	22,569	88,345	53,325
Unallocated liabilities	3,030	1,692	-	-	-	-	-	-	3,030	1,692
Total liabilities	78,715	31,925	12,044	-	-	523	616	22,569	91,375	55,017
Capital expenditure incurred during the year	2,494	3,439	2,044	-	-	306	6,372	670	10,910	4,415

(b) Geographical segments

	<i>PRC</i>		<i>Hong Kong</i>		<i>Consolidated</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
Revenue from external customers	48,481	27,159	23,784	13,387	72,265	40,546
Other revenue	908	1,324	1,888	833	2,796	2,157
Total revenue	49,389	28,483	25,672	14,220	75,061	42,703
Segment assets	145,337	103,100	82,063	11,250	227,400	114,350
Capital expenditure incurred during the year	8,043	3,724	2,867	691	10,910	4,415

6. INCOME TAX EXPENSE

- (a) No provision for Hong Kong profits tax and Mainland China income tax has been made as the Group did not generate any assessable profits in Hong Kong and PRC during the year. The Company's subsidiaries operating in the PRC are subject to Mainland China corporate income tax at a rate of 27% or 33%.
- (b) The income tax expense represents the sum of the current tax and deferred tax and is made up as follows :-

	<i>2007</i> <i>HK\$'000</i>	<i>2006</i> <i>HK\$'000</i>
Current tax :-		
Overseas taxation		
- Provision for the year	-	-
- Over-provision in previous period	-	(856)
	-----	-----
	-	(856)
Deferred taxation (Note 7) :-		
Current year	2,304	1,654
Reduction of PRC tax rate	(970)	-
	-----	-----
	1,334	1,654
	-----	-----
	1,334	798

- (c) The income tax expense for the year can be reconciled to the (loss)/profit per income statement as follows :-

	<i>Hong Kong</i>		<i>PRC</i>		<i>Total</i>	
	<i>2007</i> <i>HK\$'000</i>	<i>2006</i> <i>HK\$'000</i>	<i>2007</i> <i>HK\$'000</i>	<i>2006</i> <i>HK\$'000</i>	<i>2007</i> <i>HK\$'000</i>	<i>2006</i> <i>HK\$'000</i>
(Loss)/profit before income tax	<u>(9,197)</u>	<u>(6,001)</u>	<u>23,179</u>	<u>12,361</u>	<u>13,982</u>	<u>6,360</u>
Applicable tax rate (%)	<u>17.5</u>	<u>17.5</u>	<u>27/33</u>	<u>27/33</u>	<u>N/A</u>	<u>N/A</u>
Tax on (loss)/profit before income tax, calculated at the applicable tax rate	(1,609)	(1,050)	6,580	3,029	4,971	1,979
Tax effect of non-deductible expenses in determining taxable profit	2,460	810	646	596	3,106	1,406
Tax effect of non-taxable revenue in determining taxable profit	(1,890)	(516)	(1,083)	(1,304)	(2,973)	(1,820)
Tax effect of unrecognised decelerated/(accelerated) depreciation Allowances	9	(41)	-	-	9	(41)
Tax effect of unrecognised tax losses	1,030	797	-	245	1,030	1,042
Tax effect of utilisation of tax losses	-	-	(505)	(1,614)	(505)	(1,614)
Tax effect on 100% tax free Concession	-	-	(5,441)	(3,371)	(5,441)	(3,371)
Tax effect of change of tax rate	-	-	(970)	-	(970)	-
Over-provision of income tax in previous period	-	-	-	(856)	-	(856)
Under-provision of deferred tax in previous years	-	-	<u>2,107</u>	<u>4,073</u>	<u>2,107</u>	<u>4,073</u>
Income tax expense	<u>-</u>	<u>-</u>	<u>1,334</u>	<u>798</u>	<u>1,334</u>	<u>798</u>

- (d) On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "New CIT Law"). The New CIT Law reduces the corporate income tax rate from 27% or 33% to 25% with effect from 1 January 2008. The tax rate reduction will also impact the carrying value of deferred tax assets as a result of new tax rate.

7. DEFERRED TAXATION

The following is deferred tax assets/(liability) recognised by the Group and movements thereon during the current year and prior year :-

	<i>Unutilised tax losses HK\$'000</i>	<i>Others HK\$'000</i>	<i>Total HK\$'000</i>
At 1.1.2006	-	-	-
Credited/(charged) to income statement for the year (Note 6(b))	2,419	(4,073)	(1,654)
Exchange adjustments	<u>54</u>	<u>(92)</u>	<u>(38)</u>
At 31.12.2006 and 1.1.2007	2,473	(4,165)	(1,692)
Charged to income statement for the year (Note 6(b))	(2,304)	-	(2,304)
Decrease in deferred tax assets/ liabilities resulting from a reduction of corporate income tax rate	(42)	1,012	970
Exchange adjustments	<u>6</u>	<u>(10)</u>	<u>(4)</u>
At 31.12.2007	<u>133</u>	<u>(3,163)</u>	<u>(3,030)</u>

At the balance sheet date, the Group has unused tax losses of HK\$28,433,000 (2006 : HK\$22,939,000) available for offset against future profits. No deferred tax asset has been recognised of such losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$1,147,000 (2006 : HK\$2,672,000) that will expire within five years from the date of incurrence. Other losses can be carried forward indefinitely.

8 FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2007 (2006: Nil). No dividend has been paid or declared by the Company since the date of its incorporation.

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year is based on the following data :-

<u>Earnings</u>	<i>2007</i> <i>HK\$'000</i>	<i>2006</i> <i>HK\$'000</i>
Earnings for the purposes of basic earnings per share	12,648	5,562
Effect of dilutive potential ordinary shares :- Interest on convertible bonds	<u>-</u>	<u>227</u>
Earnings for the purposes of diluted earnings per share	<u>12,648</u>	<u>5,789</u>
	<i>2007</i>	<i>2006</i>
<u>Number of Shares</u>		
Weighted average number of shares in issue for the purpose of calculation of basic earnings per share	1,142,561,159	779,454,474
Effect of dilutive potential ordinary shares :- Share options Convertible bonds	<u>22,922,972</u> - <u>-</u>	<u>12,796,576</u> <u>64,493,150</u>
Weighted average number of shares in issue for the purpose of calculation of diluted earnings per share	<u>1,165,484,131</u>	<u>856,744,200</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

During the current fiscal year, the Group recorded a turnover of approximately HK\$72,265,000, representing an increase of approximately 78% as compared to the last fiscal year. The profit attributable to shareholders of HK\$12,648,000 in the current year, representing an increase of approximately 127% as compared to the last fiscal year. The substantial growth in sales and profits are inseparable with the entire domestic economic growth, but more important is from last financial year, the Group actively research in market demand. The positive feedback from the market gradually transformed into revenue. At the same time, the Group actively reorganized the company structure, aiming to improve working efficiency. Sales improvement is obviously the result of our effective management.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2007, the Group had net current assets of approximately HK\$78,299,000. Current assets comprised inventories of approximately HK\$9,514,000, debtors of approximately HK\$23,862,000, deposits paid to merchant of approximately HK\$15,000,000, trade deposits of approximately HK\$6,006,000, other deposits, prepayments and other receivables of approximately HK\$9,403,000, amount due from a related company of HK\$2,889,000, financial assets at fair value through profit or loss of HK\$375,000, prepaid land lease premium of HK\$139,000, pledged time deposits of HK\$2,000,000, unpledged time deposits of HK\$280,000 and cash and bank balances of approximately HK\$97,176,000. Current liabilities comprised trade payable of HK\$7,444,000, payable to merchants of HK\$72,420,000, deposits received, sundry creditors and accruals of approximately HK\$4,829,000, amount due to a director of HK\$29,000, bills payable of approximately HK\$3,623,000.

On 5 June 2007 and 29 June 2007, the Company completed private issue of 153,330,000 and 46,000,000 new ordinary shares with placing proceeds of total HK\$40,019,340.

The gearing ratio (defined as a percentage of total debt over total assets) of the Group as at 31 December 2007 was 40% (2006: 48%).

The Board considers that the Group's existing financial resources are sufficient to fulfill its commitments, current working capital requirements and further development. In the long term, the Board believes that the Group will continue to fund its foreseeable expenditures

through cash flow from operations. However, for a more massive scale of expansion and development, debt or equity financing may be required.

BUSINESS REVIEW AND PROSPECTS

1. BUSINESS REVIEW

This Group inherited the pattern of development from previous year. The in-depth development of online payment business, nature resources trading and manufacturing business performed satisfactorily. Major financial indicators achieved new record at the same time this year. The Group actively carrying out various strategic arrangements for the development of the future!

The payment business has the huge harvest this year. Firstly, the online payment business still maintained rapid growth this year. The monthly volume, the number of transactions, new contracts with merchants and the scope of industrial coverage all increased significantly. The increase in profit of the Group was mainly attributed from the booming online payment business. Secondly, through our cooperation with banking institutions, the Group has successfully developed the mobile payment services and other products. The expansion of product line will enable us to cater for the needs of our customers, which is essential for our future profitability and business development. Thirdly, the Group's core competitiveness is our service quality and efficiency. We have sub-divided our customer services department into two sub-units to serve different needs of our end user and our merchants. Refinement of the service-oriented groups will provide more comfort to our clients and closer to the needs of their respective demand. Fourthly, in term of marketing activities and product promotion, we have co-sponsor several activities with banking institutions, strategic partners and merchants. We have been awarded the Chinese Commercial Website Billboard, Number 1 in category of Online Payment Industry, and many other prizes. Fifthly, we started to deploy products with core competitiveness. During this year, we have imposed an information platform into our existing payment platform. Moreover, we have studied the integration of non-online payment services with our online payment services. Sixthly, the Group also took into account the shortage of talent in the payment business. We paid a lot of effort in the training this year. The business and cultural training intensity in current year was several times more than the past year. Specialists in payment business increased rapidly within our group, and these specialists will play an essential role in our future business development.

The timber trading and furniture manufacturing business developed a remarkable trend of growth during this year. The timber trading and furniture manufacturing business achieved a

breakthrough development in term of revenue growth, and record net profit in this year. The synergies of the timber trading business initially appeared. Through the intense cooperation with our business partner in Indonesia, we obtained superior bargaining power from our supplier. With this bargaining power, we cooperated with major furniture manufacturers and timber wholesalers in Shanghai. The Group has obtained advantages in term of both product quality and selling channel. Although the market of our major product, Indonesian Rosewood, is not yet mature in China, the Group still obtain a remarkable market shares and satisfactory revenue. The Group has cooperated with several sellers in Northern part of China which provides a solid foundation for the future expansion of the timber business.

Considering the rapid development tendency of the Group, we commenced several plans to enhance our corporate image. The Group plans to acquire a land for the establishment of the Shanghai headquarter in the upcoming fiscal year. The construction of our own premise will provide a solid foundation for our future development as well as provides better working conditions for the employees of the Group.

The Group will further explore other business opportunities within the market. Our management believes that the growth of the Group is a result of both in-depth development and horizontal integration. As a conglomerate with different kind of investment holding, the Group will enthusiastically look for the operational synergies in different business sections.

2. PROSPECTS

From the excellent performance of this year, we have more confidence to follow our established strategy to do more in-depth development.

For the online payment business, we will continue to adhere to the current strategy decided in several years ago. First of all, we will consistently to in-depth develop the existing businesses. In-depth development includes the exposure the potential demand of existing customers and potential customers with high profitability to maintaining and enhancing our quality of service and expanding our business volume. Secondly, through the development of derivative payment products such as pre-licensed products and payment-related information processing platform etc. We can offer our customers more diversified product portfolio and to cater for their requirement. Thereby enhancing the overall transaction volume as well as higher profit margin derived from these derivative products. Thirdly, development of non-online payment services as an important complement to online payment services. We believe that these non-online payment services will become part of our essential source of income. In this business environment, we need to obtain ground, improve efficiency, concerned about

external economic and policy environment, and to make a reasonable judgment and decision-making. We have proved that we can do that in our past experiences.

For the timber trading and furniture manufacturing, we will continue to consolidate our industry's unique advantages in the chain. On one hand, through the expansion of retail sales capacity, we can collect the latest market needs. On the other hand, we increase the penetration of our suppliers; and require suppliers to process the export products in according to our demand, and thereby providing more cost-effective products in the Chinese market. The control of the upper and lower reaches of the market has enabled us to seize the status in the market and to generate greater profit in return.

Our Group is increasing the allocation of resources into the construction work of our own PRC headquarter. The own premise of Universal Technologies Holdings Limited located in Shanghai will become another milestone in the development of the Group!

The Group will continue to explore synergies with business opportunities in different industries and sustain the steady growth of the Group while without losing the passion and the speed!

EMPLOYEES

As at 31 December 2007, the total number of employees of the Group was 150 (31 December 2006: 112). The dedication and contribution of the Group's staff during the year are greatly appreciated and recognized.

Employees (including directors) are remunerated according to their performance and working experience. On top of basic salaries, discretionary bonus and share options may be granted to eligible employee by reference to the Group's performance as well as the individual's performance. In addition, the Group also provides social security benefits to its staff such as mandatory provident fund scheme in Hong Kong and the pension scheme in China.

TREASURY POLICIES

The Group adopted a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the year, the Group injected capital of RMB30,000,000 to International Payment Solutions (Shanghai) Limited (IPSSH), a subsidiary of the Group to enlarge its share capital. The registered capital of IPSSH increased from RMB20,000,000 to RMB50,000,000. The Group believes the registered capital increment is in line with the growth of online payment business, and the investment will enhance the competitiveness of IPSSH.

CHARGES ON GROUP'S ASSETS

Time deposit of HK\$2,000,000 as at 31 December 2007 (31 December 2006: HK\$104,000) was pledged to a bank to secure general banking facilities granted to a subsidiary.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 6 December 2007, the Board announced that Universal Cyberworks International Limited, a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with the vendor for the acquisition of the entire issued share capital of Universal iPayment International Limited. The consideration for the acquisition amounted to HK\$ 72,500,000 and would be satisfied as to HK\$3,060,000 in cash to be financed by the Group's internal resources and as to the remaining balance of HK\$69,440,000 by the issuance of 217 million consideration shares at the issue price of HK\$0.32 per consideration share. The transaction was approved by the shareholders at an extraordinary general meeting held on 28 January 2008.

The principal asset of Universal iPayment International Limited is a land located in Shanghai. The Group expects to develop the land into a 6-storey building, of which the Group will initially occupy 2 storeys and lease the rest to third parties. The estimated capital expenditure incur is around HK\$40 million, which will be financed by equity or debt financing.

EXCHANGE RISK

Currently, the market anticipates moderate appreciation pressure on Renminbi. The Group has not implemented any formal policy in dealing with this foreign exchange risk. However, in view of the Group's core business is mainly transacted in Renminbi and significant portion of assets are denominated in Renminbi, the exposure of the Group's risk from exchange rate fluctuation was minimal. For the year ended 31 December 2007, the Group did not enter into any arrangement to hedge its foreign exchange exposure.

CONTINGENT LIABILITES

The Directors consider that the Group had no contingent liabilities as at 31 December 2007.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2007, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code on corporate governance practices (the "Code") as set out in Appendix 15 of the rules governing the listing of securities on the GEM Listing Rules for the year subject to the deviations disclosed hereof.

Under the code provision A2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lau Sik Suen assumes the role of both the chairman and the chief executive officer of the Company. While serving as the chairman of the Group, Mr. Lau leads the Board and is responsible for the proceedings and workings of the Board. He ensures that:

- the Board acts in the best interests of the Group; and
- the Board functions effectively, and that all key and appropriate issues are properly briefed and discussed by the Board.

The role of chairman and chief executive officer of the Group rests on the same individual which deviates from the code provision in the Corporate Governance Code of not having a clear division of responsibilities. The Board is of the view that this has not compromised accountability and independent decision making for the following reasons:

- The non-executive directors form the majority of the Board of which three out of seven are independent.
- Audit Committee composed exclusively of independent non-executive directors.
- The independent directors have free and direct access to the Company's external auditors and independent professional advice when considered necessary.

Mr. Lau has considerable industry experience. He is motivated to contribute to the growth and profitability of the Group. The Board is of the view that it is in the best interests of the Group to have an executive chairman so that the Board can have the benefit of a chairman who is knowledgeable about the business of the Group and is most capable to guide discussions and brief the Board in a timely manner on pertinent issues and developments to facilitate open dialogue between the Board and the management.

AUDIT COMMITTEE

The audit committee has three members comprising the three independent non-executive directors, namely, Mr. Meng Li Hui, Mr. Wan Xie Qiu and Mr. Fong Heung Sang with terms of reference in compliance with the GEM Listing Rules. The audit committee has reviewed the audited financial results of the Group for the year ended 31 December 2007.

PUBLICATION OF INFORMATION ON GEM WEBSITE

The Annual Report of the Group will be published on the GEM website on or before 31 March 2008, in compliance with rule 18.50C of the GEM Listing Rules.

On behalf of the Board

Lau Sik Suen
Chairman

Hong Kong, 25 March 2008

As at the date of this announcement, the Board comprises the following members:

Executive Directors

Mr. Lau Sik Suen (Chairman)

Mr. Liu Rui Sheng

Madam Luan Yu Min

Non-Executive Director

Mr. Chow Cheuk Lap

Independent Non-Executive Directors

Mr. Meng Li Hui

Mr. Wan Xie Qiu

Mr. Fong Heung Sang

This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the website of the Company at www.uth.com.hk.