
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Universal Technologies Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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: 8091)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ACQUISITION OF
80% EQUITY INTEREST IN A COMPANY ENGAGING IN
THE BUSINESS OF INTERNET-BASED REMITTANCE SERVICE
IN THE PEOPLE'S REPUBLIC OF CHINA**

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for 7 days from the day of its posting and on the Company's website at www.uth.com.hk.

19 December 2008

* *for identification purposes only*

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of 80% equity interest of ECPAY pursuant to the Share Transfer Agreement;
“Board”	the board of Directors;
“Company”	Universal Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the GEM Board of the Stock Exchange;
“Completion”	completion of the Acquisition in accordance with the Share Transfer Agreement;
“connected person”	has the meaning ascribed to it under the GEM Listing Rules;
“Consideration”	the consideration for the Acquisition under the Share Transfer Agreement;
“Directors”	the directors of the Company;
“ECPAY”	上海迅付信息科技有限公司 (Universal ECPAY Ltd.), a company incorporated in the PRC with limited liability;
“Group”	the Company and its subsidiaries;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“IPS”	上海環迅電子商務有限公司(International Payment Solutions (Shanghai) Limited), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Latest Practicable Date”	16 December 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;

DEFINITIONS

“Paystone”	Paystone Technologies Corp., a company incorporated in Canada which offers e-mail and internet-based money transfer service within and from Canada, United States of America and other countries;
“SAFE”	State Administration of Foreign Exchange of the PRC;
“Sale Equity Interest”	80% equity interest of ECPAY;
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company;
“Share Transfer Agreement”	the share transfer agreement dated 5 December 2008 entered into between IPS and the Vendor in relation to the Acquisition;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	上海極亞信息科技有限公司 (Shanghai Ji Ya Info & Tech Co. Ltd.), a company incorporated in the PRC with limited liability;
“%”	per cent.;
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong; and
“RMB”	Renminbi, the lawful currency of the PRC.

LETTER FROM THE BOARD



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)

Executive Directors:

Ms. Lau Yeung Sang (*Chairman*)

Mr. Lau Sik Suen

Mr. Liu Ruisheng

Madam Luan Yumin

Registered Office:

Cricket Square

Hutchins Drive P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Non-executive Director:

Mr. Chow Cheuk Lap

Head Office and Principal

Place of Business:

Units 231-233 Building 2 Phase 1

No.1 Science Park West Avenue

Hong Kong Science Park

Shatin

New Territories

Hong Kong

Independent non-executive Directors:

Mr. Meng Lihui

Mr. Wan Xieqiu

Mr. Fong Heung Sang

19 December 2008

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ACQUISITION OF
80% EQUITY INTEREST IN A COMPANY ENGAGING IN
THE BUSINESS OF INTERNET-BASED REMITTANCE SERVICE
IN THE PEOPLE'S REPUBLIC OF CHINA**

1. INTRODUCTION

On 5 December 2008, IPS, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Vendor pursuant to which IPS agreed to acquire the Sale Equity Interest of ECPAY which an internet-based remittance service provider in the PRC. Upon completion of the Acquisition, ECPAY will become an indirect wholly owned subsidiary of the Company.

* *for identification purposes only*

LETTER FROM THE BOARD

As the applicable percentage ratios for the Acquisition under the GEM Listing rules is more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.08 of the GEM Listing Rules.

The purpose of this circular is to provide you with further information relating to the Acquisition.

2. THE SHARE TRANSFER AGREEMENT

Date of the agreement

5 December 2008

Parties

Purchaser: 上海環迅電子商務有限公司 (International Payment Solutions (Shanghai) Limited), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is a holder of 20% equity interest in ECPAY.

Vendor: 上海極亞信息科技有限公司 (Shanghai Ji Ya Info & Tech Co. Ltd), a company incorporated in the PRC with limited liability. It is a holder of 80% equity interest in ECPAY.

Assets to be acquired

The Sale Equity Interest, being 80% equity interest of ECPAY.

Consideration and payment

The Consideration of RMB33,610,000 (HK\$37,832,058) is payable by IPS in cash in the following manner:

- (a) RMB16,805,000 (HK\$18,916,029), being 50% of the Consideration, shall be paid within three days after signing of the Share Transfer Agreement; and
- (b) RMB16,805,000 (HK\$18,916,029), being 50% of the Consideration, shall be paid within three days after the issue of a new business licence to ECPAY recording IPS as the only holder of the entire equity interest of ECPAY.

The Consideration was determined after arm's length negotiation between IPS and the Vendor with reference to the statistics on the annual transaction amount of remittance and handling fee involved in the PRC, the potential growth of the remittance market, estimated market share of ECPAY in the remittance market, performance of other remittance agents and handling fees charged by them and with the factors set out in the section headed "Reasons for the Acquisition" below taken into account.

LETTER FROM THE BOARD

Completion

Completion will take place within three days after the issue of a new business licence to ECPAY recording IPS as the only holder of the entire equity interest of ECPAY.

3. INFORMATION ON ECPAY

ECPAY is a company incorporated in the PRC with limited liability on 14 July 2008. Since its incorporation, it has been building its infrastructure for providing internet-based remittance services in the PRC, with the advantages of efficiency, convenience and low-cost as compared with the traditional remittance services provided by banks and remittance agencies. ECPAY has entered into cooperation agreements with business partners such as Paystone, for data transmission for remittance instructions and settlement of remittance outside the PRC, and the Shenzhen branch of China Merchant Bank, for foreign exchange conversion involved in remittance. The service platform enabling performance of remittance through internet is ready for launch. It adopts measures for anti-money laundering and an encryption system commonly adopted by banks to ensure security in usage. There is also in place a comprehensive code of practices for risk control and management in the operation. After SAFE having granted the approval to the services offered by ECPAY, ECPAY may launch its remittance service.

Based on the unaudited financial statements of ECPAY as at 30 September 2008, it recorded no profit or turnover and its unaudited net asset value amounted to approximately RMB5,000,000 (HK\$5,628,095), being the registered capital of ECPAY.

4. REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of on-line payment and related services, timber trading and furniture manufacturing.

The Group acquired its payment service business in 2005. Since the acquisition, this business segment has been developing rapidly to become a core business of the Group with high growth rate. Products such as authorised transaction, accounts distribution system, credit card payment and e-wallet have been gaining popularity among the users of the Group's on-line payment products. These users will be the potential customer base for the remittance service of ECPAY. Further, as the service platform of ECPAY is fully compatible with the system of the Group's e-wallet, the Group will be able to incorporate the remittance service of ECPAY in its existing on-line payment platform with ease and at minimal cost. The Directors strongly believe that the Group's existing on-line payment business and the remittance business of ECPAY will enjoy complementary advantages and bring synergy to the Group and the remittance business of ECPAY will be served as a solid foundation on which the Group may further develop its on-line payment service in a global scale.

Further, it is the corporate strategy of the Group to explore potential fast growing business and diversify its business through acquisitions. The Directors strongly believe that the remittance market is of great potential given the increasing volume of across the border transactions and

LETTER FROM THE BOARD

the Acquisition provides the Group with a valuable opportunity to develop a new business with rapid growth potential, to further broaden its business scope and to strength its revenue stream in line with its corporate strategy.

To the best of the Directors' knowledge, the grant of approval by SAFE is only a matter of procedures and it is not expected to have any impediment in obtaining the approval.

In view of the above, the Directors are of the view that the terms of the Share Transfer Agreement including the Consideration are fair and reasonable so far as the Shareholders are concerned and the Share Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

5. EFFECT OF THE ACQUISITION

Upon Completion, the Vendor will cease to have any equity interest in ECPAY, ECPAY will become an indirect wholly owned subsidiary of the Company and its results will be consolidated into the Group's financial results.

As the Group will use its internal resources to satisfy the Consideration and ECPAY has not yet launch it services, the Acquisition is not expected to have any material impact on the earnings, assets and liabilities of the Group.

6. INFORMATION ON THE VENDOR

The Vendor is principally engaged in investment and provision of technical services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Vendor and its ultimate beneficial owner is a third party independent of and not connected with the Company or its connected persons.

7. LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Acquisition under the GEM Listing rules is more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.08 of the GEM Listing Rules.

8. FURTHER INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

By order of the Board
UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED
Lau Yeung Sang
Chairman

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interest in the Company

As at the Latest Practicable Date, the interests or short position of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which is taken or deemed to have taken under such provisions of the SFO); or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or as required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange are as follows:

(i) Beneficial interest and short position in Shares:

Name of director	Personal Interests	Corporate Interests	Aggregate Interests	Percentage of the Company's issued share capital
Lau Yeung Sang (Note 1)	–	416,720,000	416,720,000	27.71%
Chow Cheuk Lap (Note 2)	–	67,540,000	67,540,000	4.49%

Notes:

1. The relevant Shares are held by World One Investments Limited (“World One”). As the entire issued share capital of World One is wholly and beneficially owned by Lau Yeung Sang, he is deemed to have corporate interest in the Shares held by World One under the SFO.
2. The relevant Shares are held by Top Nation International Limited (“Top Nation”). As Mr. Chow Cheuk Lap owns 50% beneficial interest in the issued share capital of Top Nation, he is deemed to have corporate interest in the Shares held by Top Nation.

(ii) Beneficial interests and short positions in underlying Shares:

Directors	Date of grant	No. of shares attached to the option	Exercisable period	Exercise price per share
Mr. Liu Ruisheng	22/2/2008	1,700,000	22/2/2008 to 21/2/2011	HK\$0.30
	22/2/2008	1,700,000	22/2/2009 to 21/2/2011	HK\$0.30
	22/2/2008	1,700,000	22/2/2010 to 21/2/2011	HK\$0.30
Md. Luan Yumin	7/2/2002	200,000	7/2/2002 to 6/2/2012	HK\$1.30
	22/2/2008	2,400,000	22/2/2008 to 21/2/2011	HK\$0.30
	22/2/2008	2,400,000	22/2/2009 to 21/2/2011	HK\$0.30
	22/2/2008	2,400,000	22/2/2010 to 21/2/2011	HK\$0.30
Mr. Fong Heung Sang	21/5/2007	900,000	21/5/2007 to 20/5/2009	HK\$0.228

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their associates as well as the chief executives of the Group had any interests or short positions in the Shares and underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Interest of substantial Shareholders and others

As at the Latest Practicable Date, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(i) Interest in the Company:

Name	Capacity and nature of interest	Shares/equity derivatives	Number/amount of Shares/equity derivatives held	Percentage of the Company's issued share capital as at the Latest Practicable Date
World One Investments Limited (<i>Note 1</i>)	Beneficial owner	Shares	416,720,000	27.71%
Every City Industrial Limited (<i>Note 2</i>)	Beneficial owner	Shares	106,000,000	7.05%

Notes:

- The entire issued share capital of World One Investments Limited is beneficially owned by Mr. Lau Yeung Sang. Mr. Lau Yeung Sang is a director of World One.
- The entire issued share capital of Every City Industrial Limited is beneficially held by Mr. Choi Hung Fai and Mr. Zhou Hang in equal shares.

(ii) Interest in other members of the Group:

Name of members of the Group	Name of shareholders	Percentage of the member's issued share capital as at the Latest Practicable Date
iLogistics China Limited	SLI Co. Ltd.	25.07%
IPS LinQpay Limited	LinQpay Inc.	45%
上海禾地投資管理有限公司 (Shanghai Head Harnest Investment Limited)	He Liping	40%

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any option in respect of such share capital.

3. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors had or proposed to enter any service contract with the Company or any other member of the Group which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

5. COMPETING INTEREST

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. THE COMPANY'S AUDIT COMMITTEE

The function of the Company's audit committee includes, among other things:

- (a) to consider and make recommendations to the Board on the appointment, reappointment and removal of the external auditors, to approve the audit fees and terms of engagement, and any questions of their resignation or dismissal;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with the applicable standards; and
- (c) to develop and implement policy on the engagement of an external auditor to provide non-audit services.

The Company's audit committee comprises of three members, namely Messrs. Meng Lihui, Wan Xieqiu and Fong Heung Sang, all of whom are independent non-executive Directors. Their background and directorship in other listed companies are set out below.

Mr. Meng Lihui

Mr. Meng is currently a General Manager of a company jointly established by several professors of Shanghai Fudan University, the PRC. The principal activity of the company is provision of consultancy services on ecological environment protection to both private companies and local government authorities in various cities in the PRC. Mr. Meng graduated from Shanghai Fudan University with a bachelor degree of Economics.

Mr. Wan Xieqiu

Mr. Wan is currently a professor and the Dean of School of Finance in Suzhou University. He also acts as a committee member of the Economic Committee, the Financial Committee and the Taxation Committee respectively of Jiangsu Province in the PRC.

Mr. Fong Heung Sang

Mr. Fong is a certified public accountant in the United States of America. He has extensive experience in corporate finance, accounting and auditing. Mr. Fong worked for international accounting firms and a number of public listed companies for more than 20 years and is now an Executive Vice President of Corporate Development of Fuqi International, Inc. He is an independent director and chairman of audit committee of Zhejiang Kandi Vehicles Co., Ltd. (whose shares are listed on Nasdaq) and Diguang International Development Company Limited (whose shares are quoted on the OTC Bulletin Board in the United States of America). He is also an independent director and audit committee member of Zhaoheng Hydropower Company Limited (whose shares are quoted on the OTC Bulletin Board in the United States of America). Mr. Fong holds a master degree in Business Administration and a master degree in Accountancy.

Save as disclosed above, none of the three audit committee members have served or are serving as directors of other companies listed on the GEM or the Main Board of the Stock Exchange or any other stock exchanges.

7. MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company is at Units 231-233, Building 2, Phase 1, No.1 Science Park West Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.

- (c) The company secretary of the Company is Mr. Tang Chi Wai who is also the qualified accountant of the Company. Mr. Tang is a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The compliance officer of the Company is Mr. Lau Sik Suen.
- (e) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.