



2010

First Quarterly Report



TECHNOLOGIES
UNIVERSAL

Universal Technologies Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8091

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE “GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investor should be aware of the potential risk 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.

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This report, for which the directors (the “Directors”) of Universal Technologies Holdings Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (1) the information contained in this report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



SUMMARY

- Turnover for the three-month period ended 31 March 2010 amounted to approximately HK\$19.81 million (2009: HK\$17.05 million), representing an increase of approximately 16% over the corresponding period in the last financial year. The increase in turnover was mainly attributable to the increase in operation scale.
- Net profit attributable to shareholders of the Company for the three-month period ended 31 March 2010 amounted to approximately HK\$5.33 million (2009: HK\$2.76 million), representing an increase of approximately 93% over the corresponding period in the last financial year. The increase in net profit was attributed to the increase in operation scale of the current business and the effective control of costs.
- Basic and diluted earnings per share for the three-month period ended 31 March 2010 amounted to approximately HK0.35 cents and HK0.35 cents respectively (2009: HK0.18 cents and HK0.18 cents).
- The board of directors does not recommend payment of an interim dividend for the three-month period ended 31 March 2010 (2009: Nil).

UNAUDITED RESULTS

The board of directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three-month period ended 31 March 2010 together with the comparative unaudited figures for the corresponding period in 2009 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

		For the three-month period ended 31 March 2010	For the three-month period ended 31 March 2009
	<i>Notes</i>	HK\$'000	HK\$'000
Turnover	2	19,807	17,049
Other income	2	447	315
		20,254	17,364
Cost of sales/services rendered		(1,174)	(1,303)
Staff costs		(6,695)	(5,957)
Depreciation and amortisation of prepaid land lease premium		(842)	(955)
Minimum operating lease rentals		(1,196)	(1,622)
Other operating expenses		(4,596)	(4,399)
Profit from operations	3	5,751	3,128
Finance costs		(468)	(402)
Profit before income tax		5,283	2,726
Income tax expense	4	-	(4)
Profit for the period		5,283	2,722
Attributable to:			
Shareholders of the Company		5,326	2,762
Minority interests		(43)	(40)
Profit for the period		5,283	2,722
Earnings per share (<i>in cents</i>)			
Basic	5	0.35	0.18
Diluted	5	0.35	0.18



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	For the three-month period ended 31 March 2010 <i>HK\$'000</i>	For the three-month period ended 31 March 2009 <i>HK\$'000</i>
Profit for the period	<u>5,326</u>	<u>2,762</u>
Other comprehensive income:		
Exchange differences arising on translation of financial statements of subsidiaries established in the PRC	<u>379</u>	<u>62</u>
Other comprehensive income for the period, net of tax	<u>379</u>	<u>62</u>
Total comprehensive income for the period	<u><u>5,705</u></u>	<u><u>2,824</u></u>
Total comprehensive income attributable to:		
Shareholders of the Company	<u>5,748</u>	<u>2,864</u>
Minority interests	<u>(43)</u>	<u>(40)</u>
	<u><u>5,705</u></u>	<u><u>2,824</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2010

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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 Units 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.

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.

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated financial statements for the three-month period ended 31 March 2010 are consistent with those adopted in preparing the audited financial statements of the Group for the year ended 31 December 2009.

2. TURNOVER AND REVENUE

The Group is principally engaged in investment holding, provision of payment solutions and related services, timber trading and furniture manufacturing, other trading, system integration and related technical support services. Turnover for the period represents revenue recognised from the provision of payment handling income, 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 income is set out below:

	For the three-month period ended 31 March 2010	For the three-month period ended 31 March 2009
	HK\$'000	HK\$'000
Payment solutions and related services income	18,831	15,598
Timber trading and furniture manufacturing	976	1,451
Turnover	19,807	17,049
Interest on bank deposits	180	122
Others	267	193
	20,254	17,364

3. PROFIT FROM OPERATIONS

	For the three-month period ended 31 March 2010 HK\$'000	For the three-month period ended 31 March 2009 HK\$'000
Profit from operations are stated after charging/(crediting):		
Cost of sales/services rendered	1,174	1,303
Depreciation and amortisation of prepaid land lease premium	842	955
Minimum operating lease rentals	1,196	1,622
Gain on change in fair value of financial assets	(99)	(21)
Staff costs	6,695	5,957

4. INCOME TAX EXPENSE

- (a) No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits in Hong Kong during the period. The Company's subsidiaries operating in the PRC are subject to Mainland China enterprise income tax at a rate of 25%.

During the period, certain subsidiaries in the PRC are entitled to preferential tax treatments. Certain subsidiaries are entitled to tax concessions whereby the profit for the first two financial years beginning with the first profit-making year is exempted from income tax in the PRC and the profit for each of the subsequent three years is taxed at 50% of the applicable tax rate ("Five-year tax holiday"). Other subsidiaries in the PRC did not generate any assessable profits subject to Mainland China corporate income tax.

- (b) The income tax expense represents the sum of the current tax and deferred tax and is made up as follows:

	For the three-month period ended 31 March 2010 HK\$'000	For the three-month period ended 31 March 2009 HK\$'000
Current tax:		
Overseas taxation	-	4
Deferred taxation:		
Current period	-	-
	-	4

5. EARNINGS PER SHARE

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

	For the three-month period ended 31 March 2010	For the three-month period ended 31 March 2009
Earnings for the periods used in the calculation of basic and diluted earnings per share (in HK\$'000)	<u>5,326</u>	<u>2,762</u>
<i>Number of shares</i>		
Weighted average number of shares in issue, used for the purpose of calculation of basic earnings per share	<u>1,503,928,858</u>	<u>1,503,928,858</u>
<i>Effect of dilutive potential ordinary shares:</i>		
Share options	-	-
Weighted average number of shares in issue for calculation of diluted earnings per share	<u>1,503,928,858</u>	<u>1,503,928,858</u>

For the three-month period ended 31 March 2010, diluted earnings per share is equal to the basic earnings per share because the exercise price of the Group's share options was higher than the average market price of the Group's shares.

6. CHANGES IN SHAREHOLDER'S EQUITY

	Attributable to shareholders of the Company										
	Share capital	Share premium	Capital reserve	Special reserve	Exchange reserve	Share options reserve	Statutory reserve	(Accumulated losses)/ retained profits	Total	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1.1.2009	15,039	205,295	1,093	10,754	(8,709)	4,531	4,939	(9,350)	223,592	4,762	228,354
Exchange differences arising on translation of financial statements of subsidiaries established in the PRC	-	-	-	-	62	-	-	-	62	-	62
Profit for the period	-	-	-	-	-	-	-	2,762	2,762	(40)	2,722
At 31.3.2009	<u>15,039</u>	<u>205,295</u>	<u>1,093</u>	<u>10,754</u>	<u>(8,647)</u>	<u>4,531</u>	<u>4,939</u>	<u>(6,588)</u>	<u>226,416</u>	<u>4,722</u>	<u>231,138</u>
At 1.1.2010	15,039	205,295	1,093	10,754	(9,106)	4,170	7,133	18,378	252,756	2,848	255,604
Exchange differences arising on translation of financial statements of subsidiaries established in the PRC	-	-	-	-	379	-	-	-	379	-	379
Profit for the period	-	-	-	-	-	-	-	5,326	5,326	(43)	5,283
At 31.3.2010	<u>15,039</u>	<u>205,295</u>	<u>1,093</u>	<u>10,754</u>	<u>(8,727)</u>	<u>4,170</u>	<u>7,133</u>	<u>23,704</u>	<u>258,461</u>	<u>2,805</u>	<u>261,266</u>

7. INTERIM DIVIDEND

The Board does not recommend payment of an interim dividend for the three-month period ended 31 March 2010 (2009: Nil).

BUSINESS REVIEW AND PROSPECTS

Review

As at 31 March 2010, the Group ended the first quarter with a strong start to the financial year following the business strategy laid out at the beginning of the year.

During this reporting period, our payment solution business approached 10th anniversary. It will concentrate on six different aspects to maintain our competitive position in the market. First, at the end of the decade, human resources remain our most important asset. There is a strong demand for qualified professionals to add to our talent pool and we have successfully recruited experienced personnel to greatly strengthen our internal operations. Second, to maintain a consistent standard in our existing products and continue to develop new products, we plan to launch the new IPS6.0 which is an upgrade of the original IPS3.0. The new system is based on the many years of integration and improvement of the current system and will be rolled out over the next nine months. With this new system, we will be able to handle three times our current volume of transactions and the system stability, security and compatibility will set us apart as an industry leader. Third, in our long co-operation with banks and exploring new business opportunities, we have developed more than five new channels internationally including Europe and South East Asia. The increase in cross border electronic payment processing, higher interaction with our clients and developing marketing campaigns have increased our transaction volumes by more than 30%. Fourth, in response to the changing needs of consumers, we will respond to these needs by developing and actively market our solutions within the next six months in order to yield greater revenue. Fifth, after participating in many joint government and industry seminars, we will enhance our co-operation with government and regulatory agencies to accelerate the establishment of clear and proper regulations to govern our industry practices to improve the image of the industry and build our reputation as an industry leader. Lastly we will continue to enhance our risk control management system through effectively control risk and fraud identification to provide a strong support for the security of our payment products.

The Chinese New Year period is the usual low season period for our timber business and we took this time to focus on improving our internal systems and promoting our product lines. We completed our branding program and completed a comprehensive standardization manual in preparation for the peak season. During this time, we focused on Jiangsu and Zhejiang to appoint three agents and identify five potential agents who will likely be appointed in the next two quarters. We continued to source raw materials in Indonesia to meet the expected increase in demand, and sourced different materials to meet the market needs in China and strengthen our market advantage.

During the first quarter, the Group has successfully completed our relocation to our new Shanghai headquarters — Universal Enterprises Building. This marks the milestone for ten years of operations in China. This will strengthen our group image and assist us greatly in building our business in the future. At the same time, the Group is planning the development of a technology park in Shanghai which will be the site in the future for companies in our industry to set up operations and embark on research & development.

During this period of time, The Group has comprehensively reviewed its resources, which will help the management team to make more appropriate judgment, and to make the inputs in culture development, talent pool, institution building and execution improvement more accurate and effective.

Prospects

Over the past decade, step by step, we have steadily progressed to our present day position. From here, coming such a long way and preparing ourselves, we look forward with anticipation to what the future will hold for us.

In the payments business, we will increase our efforts and effectively use our resources over the next few years or sooner to achieve a higher level of competitiveness in our business areas. First of all, we will reduce the emphasis on increasing business income and instead focus on achieving market share and higher sales volumes. We will capitalize on market opportunities and increase our talent pool. Second, we will achieve a higher level of competitiveness through upgrading and enhancing our products and use research and development to strengthen our payment platform. We expect to see higher price competition which will bring prices down but we will offer competitive services, better security and develop new products with higher margins to grow our business. Third, we will continue to take advantage of our risk management capabilities internationally. Our new senior managers will form the core of our organization structure providing stability, inspiration, guidance and leadership to our staff for the future success of the Group. Finally we recognize that proper statutory regulation and standardization will play a key part in our future development as it will bring about proper market practice and competition, encouragement to develop new products. In anticipation of this, the Group has invested a great deal in the payments business so that we will be ready and compliance when such policies are finally introduced.

In the timber business, the coming year will be faced with both opportunities and challenges. First, we have yet to see a full recovery from the last economic downturn and this will be a challenge for us to continue to increase our business. Second, applying modern business management concepts to a traditional timber business will determine if we succeed or fail in the future. As we prepare ourselves well in business development, market positioning and brand promotion, we believe we can meet any challenge ahead and succeed.

With the new building in place, we will also house our strategic partners such as banks and this will enhance our corporate image and promote greater interaction with our strategic partners.

At present, the World Expo in Shanghai is receiving worldwide attention. This has enhanced Shanghai's image and increased the potential for future economic development. The Group will make use of this opportunity to make Shanghai our centre of our operations to build in-roads to other key cities to source possible cooperation or complementary new industries to support our payment gateway and timber businesses.

Opportunities are only an added-value to our success. Our own capabilities within the Group and our development will determine our success. We will continue to strive for improvement in our corporate culture, system efficiency, branding, human resource planning so as to achieve greater strength in our core competencies and maintain our foothold in the long term.

With a decade of experience behind us, we are now ready to gather ourselves for the next push forward and take on greater challenges. Now is the time for us to make our mark!

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 March 2010, the interests or short positions of the directors and chief executives or their associates of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO") which (i) are required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Interests in ordinary shares			Total interests in ordinary shares	Total interests in underlying shares	Aggregate interests	% of the Company's issued share capital
	Personal interests	Family interests	Corporate interests				
	<i>(Note 2)</i>						
Executive Directors:							
Mr. Lau Yeung Sang (Note 1)	-	-	412,010,000	412,010,000	-	412,010,000	27.40%
Mr. Liu Ruisheng (Note 2)	-	-	-	-	5,100,000	5,100,000	0.34%
Madam Luan Yumin (Note 2)	-	-	-	-	7,400,000	7,400,000	0.49%
Madam Ren Lili (Note 2)	-	-	-	-	5,100,000	5,100,000	0.34%
Non-executive Director:							
Mr. Chow Cheuk Lap (Note 3)	-	-	67,540,000	67,540,000	-	67,540,000	4.49%
Independent Non-executive Directors:							
Mr. Meng Lihui	-	-	-	-	-	-	-
Mr. Wan Xieqiu	-	-	-	-	-	-	-
Mr. Fong Heung Sang	-	-	-	-	-	-	-
Mr. Liu Ji	-	-	-	-	-	-	-

Notes:

- The corporate interests of Mr. Lau Yeung Sang in the ordinary shares of the Company are held by World One Investments Limited ("World One"). The entire issued share capital of World One is wholly and beneficially owned by Mr. Lau Yeung Sang. Mr. Lau Yeung Sang is therefore deemed to be interested in these ordinary shares.
- The interests of Mr. Liu Ruisheng, Madam Luan Yumin and Madam Ren Lili in underlying shares of the Company represent the interests in share options granted to them under the share option schemes of the Company.

Details of the interests in the share options of the Company are separately disclosed in the section headed "Share Options".

3. Total interests of Mr. Chow Cheuk Lap in issued ordinary shares of the Company include 67,540,000 shares held by Top Nation International Limited ("Top Nation"). Mr. Chow owns 50% beneficial interests in Top Nation and he is deemed to be interested in these ordinary shares held by Top Nation.
4. There were no debt securities nor debentures issued by the Group at any time during the period ended 31 March 2010.

Save as disclosed above, as at 31 March 2010, none of the directors or chief executives or their associates of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) 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 and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

The directors confirmed that at 31 March 2010 and for the period ended 31 March 2010,

- (i) the Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings according to Rules 5.46 to 5.67 of the GEM Listing Rules; and
- (ii) all the directors complied with the required standard of dealings and the Company's code of conduct regarding directors' securities transactions.

PERSONS WHO HAVE AN INTEREST OR A SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDING

So far as is known to any director or chief executive of the Company, at 31 March 2010, persons who have an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Company were as follows:

(a) Long positions in the shares of the Company

Name	Type of interests	Number of shares	Approximate percentage of interests
World One Investments Limited (Note 1)	Beneficial owner	412,010,000	27.40%
Ever City Industrial Limited (Note 2)	Beneficial owner	106,000,000	7.05%



Notes:

- (1) World One Investments Limited is wholly and beneficially owned by Mr. Lau Yeung Sang.
- (2) Ever City Industrial Limited is equally and beneficially owned by Mr. Choi Hung Fai and Mr. Zhou Hang.

(b) Long positions in underlying shares of equity derivatives of the Company

So far as the directors are aware, save as disclosed herein, no persons have long positions in underlying shares of equity derivatives of the Company.

(c) Short positions in the shares and underlying shares of equity derivatives of the Company

So far as the directors are aware, save as disclosed herein, no persons have short positions in the shares or underlying shares of equity derivatives of the Company.

SHARE OPTIONS

Pursuant to the written resolutions passed by all the shareholders of the Company on 12 October 2001, the Company adopted the following Share Option Schemes:

(A) Share Option Scheme

The purpose of the Share Option Scheme is to advance the interests of the Company and its shareholders by enabling the Company to grant options to attract, retain and reward all the directors (whether executive or non-executive and whether independent or not), the employees (whether full-time or part-time), any consultants or advisers of or to any company in the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid ("Eligible Persons")), and any other persons who, in the absolute opinion of the Board, have contributed to the Group and to provide to the Eligible Persons a performance incentive for continued and improved service with the Group and by enhancing such persons' contribution to increase profits by encouraging capital accumulation and share ownership. The directors may at their discretion, invite any Eligible Persons to take up options to subscribe for shares.

The maximum entitlement for any one participant (including both exercised and outstanding options) in any twelve-month period shall not exceed 1% of the total number of shares in issue.

The period within which the shares must be taken up under the option must not be more than ten years from the date of grant of the option. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The subscription price for shares in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion may determine save that such price shall not be less than the higher of (i) the closing price per share on

GEM as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average of the closing prices per share on GEM as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option.

A summary of the movements of the share options granted under the Share Option Scheme during the period is as follows:

Grantees	Date of grant	Vesting period	Exercise period	Exercise price	Number of share options				
					Outstanding at 1 January 2010	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 31 March 2010
Initial management, shareholders and employees	7 February 2002	Fully vested on 7 February 2002	7 February 2002 to 6 February 2012	HK\$1.30	350,000	-	-	-	350,000
Senior management and staff of the Group	9 April 2002	Fully vested on 9 April 2002	9 April 2002 to 8 April 2012	HK\$1.40	70,000	-	-	-	70,000
Director, senior management and staff of the Group	22 February 2008	Fully vested on 22 February 2008	22 February 2008 to 21 February 2011	HK\$0.30	24,020,000	-	-	(1,230,000)	22,790,000
		22 February 2008 to 22 February 2009	22 February 2009 to 21 February 2011	HK\$0.30	24,020,000	-	-	(1,230,000)	22,790,000
		22 February 2008 to 22 February 2010	22 February 2010 to 21 February 2011	HK\$0.30	24,020,000	-	-	(1,230,000)	22,790,000
					<u>72,480,000</u>	<u>-</u>	<u>-</u>	<u>(3,690,000)</u>	<u>68,790,000</u>

Note: The Company received a consideration of HK\$1.00 from each of the grantees of the Share Option Scheme.

At 31 March 2010, the number of shares in respect of which options had been granted and outstanding under the Share Option Schemes was 68,790,000, representing approximately 4.57% of the issued share capital of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the three-month period ended 31 March 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.



COMPETING INTERESTS

During the period under review, none of the directors, the substantial shareholders or the management shareholders (as defined in the GEM Listing Rules) had any interests in any business which competed with or might compete with the business of the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

AUDIT COMMITTEE

The Audit Committee was established in October 2001 with written terms of reference to review, inter alia, the Group's financial reporting and internal controls.

The Audit Committee comprises four independent non-executive directors, namely, Mr. Meng Lihui, Mr. Wan Xieqiu, Mr. Fong Heung Sang and Mr. Liu Ji. The chairman of the Audit Committee is Mr. Meng Lihui.

The Group's unaudited results for the three-month period ended 31 March 2010 have been reviewed by the Audit Committee, who was of the opinion that the preparation of such results complied with the applicable accounting standards and the requirements of GEM Listing Rules and adequate disclosures had been made.

By Order of the Board
Universal Technologies Holdings Limited
Lau Yeung Sang
Chairman

Hong Kong, 10 May 2010

At the date of this report, the Directors are as follows:

Executive Directors:

Mr. Lau Yeung Sang
Mr. Liu Ruisheng
Madam Luan Yumin
Madam Ren Lili

Non-executive Director:

Mr. Chow Cheuk Lap

Independent Non-executive Directors:

Mr. Meng Lihui
Mr. Wan Xieqiu
Mr. Fong Heung Sang
Mr. Liu Ji