UNIVERSE INTERNATIONAL HOLDINGS LIMITED
寰宇國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30TH JUNE 2009

RESULTS

The board of directors (the "Directors") of Universe International Holdings Limited (the "Company") (the "Board") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30th June 2009, together with comparative figures for the year ended 30th June 2008 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 30th June	
		2009	2008
	Note	***HK$'000***	*HK$'000*
Revenue	*2*	**89,733**	134,174
Cost of revenue	*3*	**(62,088)**	(111,664)
Selling expenses	*3*	**(2,345)**	(4,511)
Administrative expenses	*3*	**(27,167)**	(44,434)
Other income		**976**	1,166
Other gains — net		**155**	392
(Decrease)/increase in fair value of investment properties		**(5,820)**	3,140
Other operating expenses	*3*	**(4,517)**	(9,211)
Finance income		**2,575**	4,878
Loss before income tax		**(8,498)**	(26,070)
Income tax expense	*4*	**(1,207)**	(1,048)
Loss attributable to the equity holders of the Company		**(9,705)**	(27,118)
Loss per share for loss attributable to the equity holders of the Company during the year *(expressed in HK cent(s))*			
— basic	*5*	**(0.60)**	(1.67)
— diluted	*5*	**(0.60)**	(1.67)
Dividends	*6*	**—**	—

CONSOLIDATED BALANCE SHEET

		As at 30th June	
		2009	2008
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Leasehold land		**9,916**	12,097
Property, plant and equipment		**12,671**	18,528
Investment properties		**350**	23,170
Other intangible asset		**1,408**	1,408
Film rights and films in progress		**142,948**	98,947
Film deposits		**19,812**	2,619
Deferred income tax assets		**2,553**	5,076
		189,658	161,845
Current assets			
Inventories		**5,023**	5,811
Accounts receivable	*7*	**5,765**	30,250
Deposits paid and prepayments		**10,643**	8,370
Pledged bank deposit		**—**	2,000
Other bank deposit		**51,742**	—
Cash and cash equivalents		**64,844**	145,159
Non-current assets held for sale		**23,345**	—
		161,362	191,590
Total assets		**351,020**	353,435

EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**32,492**	32,492
Share premium		**127,211**	127,211
Other reserves		**1,279**	19,833
Retained earnings		**134,617**	125,768
Total equity		**295,599**	305,304
LIABILITIES			
Non-current liabilities			
Other long-term liabilities		**151**	183
Deferred income tax liabilities		**2,307**	3,691
		2,458	3,874
Current liabilities			
Accounts payable	*8*	**3,826**	5,914
Other payables and accrued charges		**13,346**	6,819
Deposits received		**35,520**	31,323
Amount due to the ultimate holding company		**1**	1
Obligations under finance leases		**80**	78
Taxation payable		**190**	122
		52,963	44,257
Total liabilities		**55,421**	48,131
Total equity and liabilities		**351,020**	353,435
Net current assets		**108,399**	147,333
Total assets less current liabilities		**298,057**	309,178

Notes:

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term referred to all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by The Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The actual results may differ from these estimates.

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period of the Group which are not relevant to the Group's operations.

HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 14	HKAS19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

2. Segment information

The Group is principally engaged in the distribution of films in various videogram formats, film exhibition, licensing and sub-licensing of film rights and leasing of investment properties.

Primary reporting format-business segments

	2009					
	Sale of goods *HK$'000*	**Film exhibition, licensing and sub-licensing of film rights** *HK$'000*	**Leasing of investment properties** *HK$'000*	**Others** *HK$'000*	**Elimination** *HK$'000*	**Group** *HK$'000*
Revenue						
External sales	**24,395**	**62,669**	**376**	**2,293**	**—**	**89,733**
Inter-segment sales	**—**	**4,700**	**—**	**700**	**(5,400)**	**—**
	24,395	**67,369**	**376**	**2,993**	**(5,400)**	**89,733**
Results						
Segment results before impairment losses	**(950)**	**(934)**	**38**	**205**	**—**	**(1,641)**
Impairment losses of film rights and film deposits	**(23)**	**(3,589)**	**—**	**—**	**—**	**(3,612)**
Segment results	**(973)**	**(4,523)**	**38**	**205**	**—**	**(5,253)**
Decrease in fair value of investment properties	**—**	**—**	**(5,820)**	**—**	**—**	**(5,820)**
Finance income						**2,575**
Loss before income tax						**(8,498)**
Income tax expense						**(1,207)**
Loss attributable to the equity holders of the Company						**(9,705)**

	2009					
	Sale of goods	**Film exhibition, licensing and sub-licensing of film rights**	**Leasing of investment properties**	**Others**	**Elimination**	**Group**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets						
Segment assets	**20,965**	**17,061**	**17,811**	**6,657**	**—**	**62,494**
Unallocated assets						**288,526**
Total assets						**351,020**
Liabilities						
Segment liabilities	**3,281**	**41,616**	**95**	**1,680**	**—**	**46,672**
Unallocated liabilities						**8,749**
Total liabilities						**55,421**
Other information						
Capital expenditures	**4,579**	**900**	**52**	**1**	**—**	**5,532**
Unallocated capital expenditures						**86,503**
Total capital expenditures						**92,035**
Depreciation and amortization of leasehold land	**757**	**74**	**116**	**8**	**—**	**955**
Unallocated depreciation and amortization of leasehold land						**922**
Total depreciation and amortization of leasehold land						**1,877**
Amortization charge of film rights	**7,657**	**36,494**	**—**	**—**	**—**	**44,151**

	2008					
	Sale of goods *HK$'000*	Film exhibition, licensing and sub-licensing of film rights *HK$'000*	Leasing of investment properties *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
Revenue						
External sales	23,928	106,044	1,311	2,891	—	134,174
Inter-segment sales	—	6,546	—	164	(6,710)	—
	23,928	112,590	1,311	3,055	(6,710)	134,174
Results						
Segment results before impairment losses	(9,944)	(19,170)	597	(514)	—	(29,031)
Impairment losses of film rights and film deposits	(99)	(4,958)	—	—	—	(5,057)
Segment results	(10,043)	(24,128)	597	(514)	—	(34,088)
Increase in fair value of investment properties	—	—	3,140	—	—	3,140
Finance income						4,878
Loss before income tax						(26,070)
Income tax expense						(1,048)
Loss attributable to the equity holders of the Company						(27,118)
Assets						
Segment assets	24,508	56,161	24,604	5,736	—	111,009
Unallocated assets						242,426
Total assets						353,435
Liabilities						
Segment liabilities	4,180	31,167	543	3,199	—	39,089
Unallocated liabilities						9,042
Total liabilities						48,131
Other information						
Capital expenditures	5,654	741	490	35	—	6,920
Unallocated capital expenditures						70,080
Total capital expenditures						77,000
Depreciation and amortization of leasehold land	1,007	65	87	9	—	1,168
Unallocated depreciation and amortization of leasehold land						792
Total depreciation and amortization of leasehold land						1,960
Amortization charge of film rights	8,040	75,142	—	—	—	83,182

Secondary reporting format-geographical segments

	Revenue Year ended 30th June		Total assets As at 30th June		Capital expenditures Year ended 30th June	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong and Macau	**62,343**	66,788	**342,858**	320,750	**92,035**	75,592
Asia (other than Hong Kong and Macau)	**23,926**	54,267	**7,484**	30,441	**—**	1,408
North America	**758**	3,694	**640**	1,690	**—**	—
Australia and New Zealand	**34**	210	**3**	—	**—**	—
Europe	**2,068**	7,321	**23**	503	**—**	—
Others	**604**	1,894	**12**	51	**—**	—
	89,733	134,174	**351,020**	353,435	**92,035**	77,000

3. Expenses by nature

	Year ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Amortization of film rights	**44,151**	83,182
Amortization of leasehold land	**293**	301
Depreciation of owned assets	**1,500**	1,570
Depreciation of leased assets	**84**	89
Impairment losses of film rights	**3,552**	4,786
Impairment losses of film deposits	**60**	271
Provision for impairment of accounts receivable	**236**	2,544
Cost of inventories sold	**7,311**	9,180
Employee benefits expenses *(Note)*	**18,569**	39,224

Note: *Employee benefits expenses included share-based compensation of HK$18,554,000 for the year ended 30th June 2008 (of which HK$1,282,000 and HK$17,272,000 are recorded as selling expenses and administrative expenses respectively).*

4. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit of the Group for the year.

The amount of income tax expense charged to the consolidated income statement represents:

	Year ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Hong Kong profits tax	**(68)**	(112)
Deferred income tax	**(1,139)**	(936)
	(1,207)	(1,048)

5. Loss per share

Basic

Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company over the weighted average number of ordinary shares in issue during the year.

	2009	2008
Loss attributable to the equity holders of the Company *(HK$'000)*	**(9,705)**	(27,118)
Weighted average number of ordinary shares in issue	**1,624,605,370**	1,624,605,370
Basic loss per share *(HK cent(s) per share)*	**(0.60)**	(1.67)

The basic and fully diluted loss per share for the year ended 30th June 2009 are the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the year was anti-dilutive (2008: same).

6. Dividends

The Board does not recommend the payment of a final dividend for the year ended 30th June 2009 (2008: nil).

7. Accounts receivable

	As at 30th June	
	2009	2008
	HK$'000	*HK$'000*
Accounts receivable	**6,001**	35,084
Less: Provision for impairment of accounts receivable	**(236)**	(4,834)
Accounts receivable — net	**5,765**	30,250

The carrying amount of accounts receivable approximates to their respective fair values.

As at 30th June 2009, the ageing analysis of the accounts receivable was as follows:

	2009	2008
	HK$'000	*HK$'000*
Current to 90 days	**4,451**	27,829
91 days to 180 days	**364**	1,443
Over 180 days	**950**	978
	5,765	30,250

Sales of videogram products are with credit terms of 7 days to 60 days. Sales from film exhibition, licensing and sub-licensing of film rights are on open account terms.

8. Accounts payable

As at 30th June 2009, the ageing analysis of the accounts payable was as follows:

	As at 30th June	
	2009	2008
	HK$'000	*HK$'000*
Current to 90 days	**251**	2,450
91 days to 180 days	**1,943**	213
Over 180 days	**1,632**	3,251
	3,826	5,914

9. Pending litigations

(a) A court action was commenced in the Court of First Instance of the Hong Kong Special Administrative Region on 17th April 2002 by The Star Overseas Limited ("Star"), an independent third party, against Universe Entertainment Limited ("UEL"), an indirect wholly-owned subsidiary of the Company.

By the above action, Star alleges that a sum of US$935,871.65 (equivalent to HK$7,299,798.84) was payable by UEL to Star as its share of the revenue of the movie entitled "Shaolin Soccer" (the "Movie").

Pursuant to an Order (the "Order") made by the High Court on 21st February 2003, the Company was ordered and had paid to Star a sum of HK$5,495,699.80, being part of the licence fee of the Movie received by UEL from Miramax Films (being the licencee of the Movie) and which was also part of the sum claimed by Star. Pursuant to the Order, UEL is also liable to pay Star interest in the sum of HK$350,905.30 and some of the costs of the application leading to the making of the Order, all of which have been settled. As the Order has not disposed of all the claims of US$935,871.65 (equivalent to HK$7,299,798.84) by Star, UEL is entitled to continue to defend the claim by Star for recovering the remaining balance in the sum of approximately HK$1,804,099.04 (HK$7,299,798.84 less HK$5,495,699.80).

On 30th April 2002, UEL issued a Writ of Summons against the Star above for the latter's wrongful exploitation of certain rights in the Movie co-owned by both parties. UEL claimed to recover loss and damages suffered by UEL as a result of the wrongful exploitation.

On 9th September 2002, Universe Laser & Video Co. Limited ("ULV"), an indirect wholly-owned subsidiary of the Company issued a Writ of Summons against Star for the latter's infringement of the licensed rights in the Movie held by ULV. ULV claimed to recover all loss and damages suffered by ULV as a result of the said infringement.

In the opinion of legal counsel, it is premature to predict the outcome of the claim against UEL. The Board is of the opinion that the outcome of the claim against UEL will have no material financial impact to the Group.

(b) On 1st September 2008, Koninklijke Philips Electronics N.V. ("KPE") issued a Writ of Summons against among other persons, the Company, ULV and Mr Lam Shiu Ming, Daneil (one of the Directors), being three of the defendants named therein, in respect of damages arising from infringement of the patents owned by KPE.

In the opinion of legal counsel, it is premature to predict the outcome of the said claim made against the Company, ULV and Mr Lam Shiu Ming, Daneil. The Board is of the opinion that the outflow of economic benefits cannot be reliably estimated and accordingly no provision for any liability that may result has been made in the consolidated financial statements.

(c) On 14th October 2009, Mr Ko Sik Ka ("Mr Ko") issued a Writ of Summons against , among other persons, Universe Films Distribution Company Limited ("UFD", an indirect wholly-owned subsidiary of the Company), Mr Lam Shiu Ming, Daneil, Ms Chiu Suet Ying (one of the Directors) and Mr Lam Siu Keung, Alvin (the Chief Operation Officer of the Company), being four of the defendants named therein, in respect of inter alia damages arising from alleged libel on Mr Ko in a film.

In the opinion of legal counsel, it is premature to predict the outcome of the said claims made against UFD, Mr Lam Shiu Ming, Daneil, Ms Chiu Suet Ying and Mr Lam Siu Keung, Alvin. The Board is of the opinion that the outflow of economic benefits cannot be reliably estimated and accordingly no provision for any liability that may result has been made in the consolidated financial statements.

Save as disclosed above, as at 30th June 2009, no litigation or claim of material importance is known to the Directors to be pending against either the Company or any of its subsidiaries.

OPERATING RESULTS

The operating environment for the Group was challenging in the past year. For the year ended 30th June 2009, the revenue for the Group decreased by 33.1% over the same period last year to HK$89.7 million; although it managed to narrow the loss attributable to the equity holders of the Company by 64.2% from HK$27.1 million to HK$9.7 million.

This significant improvement in the Group's results was due to absence of an one-off expenses recorded last year relating to share-based compensation of approximately HK$18.6 million. This share-based compensation was applicable when share option of the Company were granted to the Group's certain Directors and employees and vested immediately upon granting. Had such one-off share-based compensation been excluded for last year, loss after income tax and loss per share for the year ended 30th June 2008 would have been approximately HK$8.5 million and HK0.52 cent respectively.

BUSINESS REVIEW

Video distribution

As a result of deteriorating economic conditions, declining consumer confidence inevitably affected the Group's video distribution segment. Besides, price competition continued to be keen, and illegal downloading through the internet remained rampant and serious within the industry. Despite these challenges, revenue contribution from the video distribution business segment grew during the year under review mainly due to prudent approach towards film acquisitions for video distribution.

Revenue for the year under review was HK$24.3 million, representing a slight increase of 1.7% over the same period last year. It accounted for 27.1% (2008: 17.8%) of the Group's consolidated revenue.

Apart from the positive revenue growth, gross profit margin of this business segment further improved from 28.0% to 38.6% through the Group's stringent and effective cost control measures.

Film exhibition, licensing and sub-licensing of film rights

Revenue from this business segment for the year under review was HK$62.7 million, representing a significant decrease of 40.9% over the same period last year. It accounted for 69.8% (2008: 79.0%) of the Group's consolidated revenue.

The global financial crisis had adversely impacted licensees' confidence and spending sentiments. In view of this, the Group adopted a cautious approach towards investments in the production of film and television series. Consequently, the number of new films and television series released reduced during the year, which in turn resulted in a decrease in revenue for this business segment.

Revenue from licensing and sub-licensing of film rights was HK$55.4 million, representing a decrease of 41.5% over the same period last year. During the year under review, the Group only completed two new films for distribution compared with eight last year. Notwithstanding the decrease in revenue, gross profit margin for this business segment rose from 17.3% to 31.9% as there was higher contribution from non-newly released films. The gross profit margin for such non-newly released films is typically higher because their costs had been fully amortized in previous years.

For the above reasons, revenue from film exhibition business also declined by 35.5% to HK$7.2 million compared to the previous year, and its operating loss narrowed to HK$2.1 million from HK$4.8 million.

Geographically, overseas contribution to the Group's consolidated revenue decreased from 49.1% to 29.7% due to unfavorable market conditions which led to a number of overseas customers being more cautious when acquiring licensing rights of films and television series.

Leasing of investment properties

During the year under review, revenue from leasing of investment properties decreased by approximately HK$936,000 to HK$376,000 as one tenancy agreement expired in November 2008. The relevant property has remained vacant until it was disposed of to an independent third party on 15th September 2009.

The Group constantly reviews investment opportunities in property that would offer stable and satisfactory returns.

OUTLOOK

We expect overall operating environment for the industry to remain challenging and difficult in the coming year. In response, the Group will continue to integrate its resources and be more prudent in cost management, as well as in investment in the production of films and television series. It is the Group's intention to achieve a higher degree of cost-efficiency.

In respect of property investments, the Group has no plans to discontinue this business segment, while it is constantly seeking investment opportunities in properties located at various territories that would offer stable and satisfactory returns, particularly in the property markets of Hong Kong and China.

Going forward, the Group aims to deepen its market penetration with investments in the production of high quality films and television series. In this respect, the Group expects to release a number of blockbusters, including "The Storm Warriors" (「風雲II」) starring Aaron Kwok and Ekin Cheng, "City on Alert" (「全城戒備」) starring Aaron Kwok and Shu Qi and "The Child's Eye" (「童眼」) starring Rainie Yang and Elanne Kong, in the coming year. Capitalizing on our experience, we are confident that the Group can overcome the challenges we face.

FINANCIAL RESOURCES/LIQUIDITY AND CAPITAL STRUCTURE

The Group's financial position remained strong. As at 30th June 2009, the Group had cash balances (including all bank deposits) of HK$116.6 million (2008: HK$147.2 million). Such reduction was mainly due to increase in film deposit and film in progress for the year under review. All banking facilities were cancelled by the Group on its own accord on 14th May 2009.

As at 30th June 2009, the Group had total assets of approximately HK$351.0 million, representing a slight decrease of HK$2.4 million over that of 30th June 2008.

The Group's gearing ratio as at 30th June 2009 was approximately 0.1% (2008: 0.1%), which was calculated on the basis of the Group's long term borrowings of approximately HK$231,000 (of which HK$80,000, HK$80,000 and HK$71,000 are repayable within one year, in the second year and in the third to fifth year respectively) and on the total equity of the Company of approximately HK$295.6 million.

There was no finance costs incurred for the year ended 30th June 2009 (2008: nil).

In light of the fact that most of the Group's transactions are denominated in Hong Kong dollars and United States dollars, the management considers the Group's exposure to fluctuations in exchange rates to be limited and thus no financial instruments for hedging purposes are used by the Group.

THE PLEDGE OF GROUP'S ASSETS

Prior to 14th May 2009, certain assets of the Group with aggregate carrying value of HK$2 million (2008: HK$2 million) were pledged to secure banking facilities utilized by its subsidiaries, such deposit was released by bank following to the cancellation of banking facilities by the Group on its own accord on 14th May 2009. As at 30th June 2009, the Group did not have any pledged assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30th June 2009, the Group employed 55 staff (2008: 53). Remuneration is reviewed annually and certain staffs are entitled to commission. In addition to basic salaries, staff benefits included discretionary bonus, medical insurance scheme and mandatory provident fund.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed in the annual general meeting held on 26th November 2003, the Company conditionally approved and adopted a share option scheme (the "Scheme") in compliance with Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

On 21st August 2007, the Company granted 143,460,537 share options, the full exercise of which in subscribing for shares of the Company would represent 8.83% of the issued share capital of the Company as at 30th June 2008, to certain Directors and employees at the subscription price of HK$0.264 per share option which were vested immediately and exercisable for a two-year period between 21st August 2007 and 20th August 2009 (both days inclusive). Each share option gave the holder the right to subscribe for one ordinary share of the Company.

Pursuant to an ordinary resolution passed in the annual general meeting held on 23rd November 2007 (the "2007 AGM"), the Company approved the refreshment of the scheme mandate limit, which is 10% of the total number of issue shares of the Company as at the date of the 2007 AGM, under the Scheme. After the refreshment of the scheme mandate limit, the total number of share options available for issue under the Scheme as at 30th June 2009 was 162,460,537, the full exercise of which in subscribing for shares of the Company would represent 10% of the issued share capital of the Company as at 30th June 2009.

On 16th July 2008, all 143,460,537 share options granted on 21st August 2007 were surrendered by all the relevant share option holders and then cancelled. The corresponding share-based compensation reserve of HK$18,554,000 was directly transferred to retained earnings of the Group.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 30th June 2009, complied with the Code Provisions on the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Listing Rules except for the code provision A.2.1 of the Code for the separation of the roles of Chairman and Chief Executive Officer ("CEO") as described in the following.

The Company does not at present have any officer holding the position of CEO. Mr Lam Shiu Ming, Daneil is the founder and Chairman of the Company and has also carried out the responsibilities of CEO. Mr Lam possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure to be more suitable to the Group because it can promote the efficient formulation and implementation of the Group's strategies.

INTERNAL CONTROL

The Directors have the overall responsibility for internal control and sets appropriate policies. The Board, through the Audit Committee, has reviewed the effectiveness of the Group's system of internal control.

The Company is committed to establishing of a good standard of internal control. In compliance with Code Provision C.2.1 and to further improve the effectiveness of its internal control, the Company engaged an independent accounting firm (the "Consultant") to conduct a review of the effectiveness of the internal control of the Group for the year ended 30th June 2009. All findings for improvement and recommendations made by the Consultant, which require management's attention, have been properly addressed and implemented by the Company during the year.

The system of internal control aims to help achieving the Group's business objectives, effective and efficient operations, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. The design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate all risks of failure in the Group's operational systems and in the achievement of the Group's business objectives. No material suspected frauds and irregularities, internal control deficiencies or infringement of relevant regulations and rules have come to the attention of Board to cause the Board to believe that the system of internal control is inadequate.

AUDIT COMMITTEE

The Audit Committee provides an important link between the Board and the Group's auditors in matters coming within the scope of the Group's audit. It also reviews the effectiveness of the external audit, internal controls and risk evaluation. The Audit Committee comprises three independent non-executive Directors, namely Mr Ng Kwok Tung (as Chairman), Dr Leung Shiu Ki, Albert and Mr Ma Chun Fung, Horace. Three meetings were held during the year.

The annual results for the year ended 30th June 2009 and the continuing connected transaction of the Company have been reviewed by the Audit Committee.

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

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

EVENTS AFTER THE BALANCE SHEET DATE

On 30th April 2009, Universe Property Investment Limited ("UPI"), an indirect wholly-owned subsidiary of the Company, entered into a provisional sales and purchase agreement with an independent third party whereby UPI agreed to dispose a property situated at 17th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong at a consideration of HK$28,000,000. The formal agreement was signed on 15th May 2009 and the transaction was completed on 15th September 2009.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.uih.com.hk). The annual report for 2009 of the Company will be dispatched to the shareholders and will be available on the above websites in due course.

By Order of the Board
Lam Shiu Ming, Daneil
Chairman

Hong Kong, 19th October 2009

As at the date of this announcement, the Board comprises Mr Lam Shiu Ming, Daneil, Ms Chiu Suet Ying and Mr Yeung Kim Piu as Executive Directors and Mr Ng Kwok Tung, Dr Leung Shiu Ki, Albert and Mr Ma Chun Fung, Horace as Independent Non-executive Directors.

* *For identification purposes only*