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: 1026)

FINAL RESULT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

HIGHLIGHTS OF THE YEAR

– Turnover for the year ended 31 December 2010 amounted to approximately HK$122.95 million (2009: HK$86.97 million), representing an increase of approximately 41% over the last fiscal year.

– Net profit attributable to shareholders of the Company for the year ended 31 December 2010 was HK$53.29 million (2009: HK$28.48 million), representing an increase of approximately 87% over the last fiscal year. The main reason for the increase in net profit was attributable to the significant increase in turnover of payment solutions business and increase in fair value of investment properties.

– Basic and diluted earnings per share for the year ended 31 December 2010 amounted to approximately HK3.46 cents and HK3.46 cents respectively (2009: HK1.89 cents and HK1.89 cents respectively).

– The Board of Directors has resolved to recommend a final dividend of HK0.60 cents per share for the year ended 31 December 2010 (2009: HK0.39 cents per share).

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 2010 together with the comparative audited figures as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	Note	2010 HK$'000	2009 HK$'000
Turnover	3	**122,952**	86,973
Cost of sales/services rendered		**(11,540)**	(12,448)
Gross profit		**111,412**	74,525
Other revenue	3	**4,112**	1,017
Other income	4	**1,428**	1,218
General and administrative expenses		**(91,221)**	(50,812)
Profit from operations		**25,731**	25,948
Increase in fair value of investment properties		**46,536**	–
Loss on disposal of subsidiaries		**(1,377)**	–
Finance costs		**(2,743)**	(1,181)
Profit before income tax	5	**68,147**	24,767
Income tax (expense)/credit	7	**(15,169)**	1,797
Profit for the year		**52,978**	26,564
Attributable to:			
Shareholders of the Company		**53,294**	28,478
Non-controlling interests		**(316)**	(1,914)
Profit for the year		**52,978**	26,564
Earnings per share *(in cents)*			
Basic	10	**3.46**	1.89
Diluted	10	**3.46**	1.89

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	2010	2009
	HK$'000	*HK$'000*
Profit for the year	**52,978**	26,564
Other comprehensive income:		
Exchange differences arising on translation of financial statements of subsidiaries established in the People's Republic of China	**6,913**	(397)
Other comprehensive income for the year, net of tax	**6,913**	(397)
Total comprehensive income for the year	**59,891**	26,167
Total comprehensive income attributable to:		
Shareholders of the Company	**60,116**	28,081
Non-controlling interests	**(225)**	(1,914)
	59,891	26,167

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2010

	Note	At 31 December 2010 HK$'000	(Restated) At 31 December 2009 HK$'000	(Restated) At 1 January 2009 HK$'000
NON-CURRENT ASSETS				
Property, plant and equipment		**54,260**	49,844	14,864
Prepaid land lease premium		**39,190**	76,202	78,064
Investment properties		**114,600**	–	–
Intangible assets		**11,668**	1,556	–
Goodwill		**79,870**	79,870	79,870
Interest in an associate		–	5	5
Deposit paid for an investment		**3,892**	–	–
		303,480	207,477	172,803
CURRENT ASSETS				
Inventories		**16,803**	16,008	20,634
Debtors		**224,760**	13,538	7,790
Trade deposits		**1,800**	4,973	4,661
Other deposits, prepayments and other receivables		**39,043**	18,860	15,093
Amounts due from related companies		–	13	13
Financial assets at fair value through profit or loss		**10,985**	1,109	682
Prepaid land lease premium		**1,068**	1,529	1,528
Tax recoverable		–	7	4
Pledged time deposits		–	–	800
Cash and bank balances		**267,215**	128,724	63,228
		561,674	184,761	114,433
DEDUCT:				
CURRENT LIABILITIES				
Bank overdrafts, unsecured		–	–	3
Bank loans		**32,409**	15,926	9,095
Trade payable		**24,846**	1	1
Payable to merchants		**339,632**	75,213	36,456
Deposits received, sundry creditors and accruals		**84,489**	16,451	11,482
Amount due to a director		–	29	42
Amount due to an associate		–	5	5
Tax payable		**3,538**	–	–
		484,914	107,625	57,084
NET CURRENT ASSETS		**76,760**	77,136	57,349
TOTAL ASSETS LESS CURRENT LIABILITIES		**380,240**	284,613	230,152

	Note	At 31 December 2010 HK$'000	(Restated) At 31 December 2009 HK$'000	(Restated) At 1 January 2009 HK$'000
DEDUCT:				
NON-CURRENT LIABILITIES				
Bank loans		**18,282**	29,009	–
Deferred tax liability	*8(a)*	**12,061**	–	1,798
		30,343	29,009	1,798
NET ASSETS		**349,897**	255,604	228,354
REPRESENTING:				
CAPITAL AND RESERVES				
Share capital		**15,441**	15,039	15,039
Reserves		**312,271**	237,717	208,553
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		**327,712**	252,756	223,592
NON-CONTROLLING INTERESTS		**22,185**	2,848	4,762
TOTAL EQUITY		**349,897**	255,604	228,354

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Attributable to shareholders of the Company											
	Share capital	**Share premium**	**Capital redemption reserve**	**Capital reserve**	**Special reserve**	**Exchange reserve**	**Share options reserve**	**Statutory reserve**	**(Accumulated losses)/retained profits**	**Total**	**Non-controlling interests**	**Total**
	HK$'000	*HK$'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
Equity settled share-based transactions	–	–	–	–	–	–	1,083	–	–	1,083	–	1,083
Transferred to accumulated losses	–	–	–	–	–	–	(1,444)	–	1,444	–	–	–
Total comprehensive income for the year	–	–	–	–	–	(397)	–	–	28,478	28,081	(1,914)	26,167
Transferred to statutory reserve	–	–	–	–	–	–	–	2,194	(2,194)	–	–	–
At 31.12.2009	15,039	205,295	–	1,093	10,754	(9,106)	4,170	7,133	18,378	252,756	2,848	255,604
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
Equity settled share-based transactions	–	–	–	–	–	–	8,274	–	–	8,274	–	8,274
Transferred to retained profits	–	–	–	–	–	–	(226)	–	226	–	–	–
Shares issued under share option scheme	568	20,153	–	–	–	–	(3,675)	–	–	17,046	–	17,046
Dividend paid	–	–	–	–	–	–	–	–	(6,016)	(6,016)	–	(6,016)
Repurchased of own shares	(166)	(4,300)	166	–	–	–	–	–	(166)	(4,466)	–	(4,466)
Change in ownership interests in subsidiaries that do not result in a loss of control	–	–	–	–	–	–	–	–	2	2	17,879	17,881
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	1,683	1,683
Total comprehensive income for the year	–	–	–	–	–	6,822	–	–	53,294	60,116	(225)	59,891
Transferred to statutory reserve	–	–	–	–	–	–	–	2,384	(2,384)	–	–	–
At 31.12.2010	**15,441**	**221,148**	**166**	**1,093**	**10,754**	**(2,284)**	**8,543**	**9,517**	**63,334**	**327,712**	**22,185**	**349,897**

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 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.

On 22 June 2010, the listing of the shares of the Company was transferred to the Main Board of the Stock Exchange.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Basis of preparation

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

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 39	Eligible Hedged Items
Amendments to HKFRS 2	Share-based payment – Group Cash-settled Share-based Payment Transactions
HKFRSs	Improvements to HKFRSs (2009) (including HKAS 17 (amendment))

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, except the following:

HKAS 27 (Revised) provides that changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions and these transactions shall no longer result in goodwill or gains and losses. When control is lost, any remaining interest in the subsidiary is re-measured to fair value and the difference between the fair value and the carrying value is recognised in the income statement.

As a result of the amendment to HKAS 17, Leases, arising from the "Improvements to HKFRSs (2009)" omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group's judgement, the lease transfers substantially all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that its interests in leasehold land, which are registered and located in the Hong Kong Special Administrative Region ("HKSAR") and subject to the HKSAR Government's land policy of renewal without payment of additional land premium, are no longer classified as operating leases. The Group's position in respect of its interests in leasehold land is economically similar to that of a purchaser and therefore such interests of leasehold land should be re-classified as finance leases. In accordance with the amendment to HKAS 17, this change in accounting policy has been applied retrospectively. Corresponding amounts of previous periods have been re-classified with the balance of prepaid land lease premium as at 31 December 2009 of HK$970,000 (1 January 2009: HK$996,000) re-classified as property, plant and equipment on the consolidated statement of financial position and the related amortisation for the year ended 31 December 2009 of HK$26,000 re-classified from amortisation to depreciation in the consolidated income statement.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2010. 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.

Non-controlling interests (previously known as "minority interests") represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in the income statement. Any interest retained in that former subsidiary at the date when control is lost recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate.

(c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards in issue at 31 December 2010 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2010:

HKAS 24 (Revised)	Related Party Disclosures
HKFRS 9	Financial Instruments
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
Improvements to HKFRSs 2010	

The Group is required to initally apply these Hong Kong Financial Reporting Standards in its annual consolidated financial statements beginning on 1 January 2011, except that the Group is required to initially apply amendments to HKAS 12 in its annual consolidated financial statements beginning on 1 January 2012, and HKFRS 9 in its annual consolidated financial statements beginning on 1 January 2013.

3. TURNOVER AND OTHER REVENUE

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

	2010	2009
	HK$'000	*HK$'000*
Payment solutions and related services income	**97,950**	72,050
Timber trading and furniture manufacturing	**11,749**	14,639
System integration and technical platform services	**12,608**	284
Rental and building management service income	**645**	–
Turnover	**122,952**	86,973
Interest on bank deposits	**1,188**	711
Government subsidy	**562**	306
Franchise fee income	**2,229**	–
Dividend income	**133**	–
Other revenue	**4,112**	1,017
Total revenue	**127,064**	87,990

4. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Gain on disposal of financial assets	**734**	738
Gain on disposal of property, plant and equipment	**614**	–
Exchange gain	**2**	273
Others	**78**	207
	1,428	1,218

5. PROFIT BEFORE INCOME TAX

	2010	2009
	HK$'000	*HK$'000*
Profit before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	**460**	450
Cost of inventories recognised as expenses	**9,087**	9,318
Staff costs (including directors' remuneration)		
– Salaries and other benefits	**25,252**	17,386
– Pension scheme contributions	**4,202**	3,346
– Equity settled share-based payment expenses	**8,274**	1,083
	37,728	21,815
Depreciation	**4,853**	2,191
Bad debts written off	**555**	–
Amortisation of intangible assets	**157**	–
Amortisation of prepaid land lease premium	**1,041**	1,909
Loss on disposal of subsidiaries	**1,377**	–
Loss on change in fair value of financial assets	**830**	28
Impairment loss on goodwill	**–**	1
Minimum operating lease rentals	**2,300**	4,994
Interest on bank loans wholly repayable within five years	**1,859**	279
Sale proceeds of property, plant and equipment	**(2,331)**	(2)
Less: Carrying amounts of property, plant and equipment	**1,717**	16
(Gain)/loss on disposal of property, plant and equipment	**(614)**	14
Gain on disposal of financial assets	**(734)**	(738)
Rental income less outgoings	**(609)**	–

6. SEGMENT REPORTING

The chief operating decision-maker has been identified as the key management. This key management reviews the Group's internal reporting in order to assess performance and allocate resources.

The Group has presented the following four reportable segments.

(a) Payment solutions

This segment primarily derives its revenue from the provision of payment solutions and ongoing technical support services to customers in the PRC, Hong Kong and overseas. Currently the Group's activities in this regard are carried out in the PRC, Hong Kong and overseas.

(b) Timber trading and furniture manufacturing

This segment engaged in trading of timber and manufacturing of furniture to customers in the PRC. Currently the Group's activities in this regard are carried out in the PRC.

(c) System integration and technical platform services

This segment engaged in provision of system integration and technical platform services to customers in the PRC. Currently the Group's activities in this regard are carried out in the PRC.

(d) Industry park

This segment engaged in development and management of e-commence, financial and resources industry parks where enterprise cluster of the same industry chain are integrated. The services for enterprise in industry parks include property leasing, property sales, facilities maintenance, processing efficiency improvement and management related consulting, supporting and outsourcing. Currently the Group's activities in this regard are carried out in the PRC.

Others include supporting units of Hong Kong operation and the net result of other subsidiaries in Hong Kong and the PRC. These operating segments have not been aggregated to form a reporting segment.

The key management assesses the performance of the segments based on the results, assets and liabilities attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment assets and liabilities excluded financial assets at fair value through profit or loss, bank loans, deferred tax liability and other corporate assets and liabilities.

The measure used for reporting segment profit is "adjusted EBIT", i.e. "adjusted earnings before interest and taxes", where "interest" is regarded as including investment income. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of results of an associate.

(a) Segments results, assets and liabilities

The following tables present the information for the Group's reporting segments:

	Reportable segments											
	Payment solutions		Timber trading and furniture manufacturing		System integration and technical platform services		Industry park		Others		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue												
Revenue from external customers	**97,950**	72,050	**11,749**	14,639	**12,608**	284	**645**	–	**–**	–	**122,952**	86,973
Other revenue	**877**	866	**2,233**	5	**596**	11	**22**	26	**384**	109	**4,112**	1,017
Total revenue	**98,827**	72,916	**13,982**	14,644	**13,204**	295	**667**	26	**384**	109	**127,064**	87,990
Reportable segment profits	**57,293**	40,098	**1,449**	1,558	**3,418**	(4,507)	**35,576**	(5,208)	**(26,790)**	(6,704)	**70,946**	25,237
Interest income											**1,188**	711
Dividend income											**133**	–
Profit from operations											**72,267**	25,948
Finance costs											**(2,743)**	(1,181)
Loss on disposal of subsidiaries											**(1,377)**	–
Profit before income tax											**68,147**	24,767
Income tax (expense)/credit											**(15,169)**	1,797
Profit for the year											**52,978**	26,564
Attributable to:												
– Shareholders of the Company											**53,294**	28,478
– Non-controlling interests											**(316)**	(1,914)
											52,978	26,564

The following tables present the information for the Group's reporting segments:

	Reportable segments											
	Payment solutions		Timber trading and furniture manufacturing		System integration and technical platform services		Industry park		Others		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Depreciation for the year	**2,012**	1,418	**283**	215	**240**	95	**1,942**	16	**376**	447	**4,853**	2,191
Amortisation	**48**	–	**–**	–	**109**	–	**931**	1,799	**110**	110	**1,198**	1,909
Impairment of goodwill	**–**	–	**–**	–	**–**	–	**–**	–	**–**	1	**–**	1
Capital expenditure incurred during the year	**8,855**	1,543	**4,505**	409	**12,172**	3	**15,502**	35,109	**8,122**	83	**49,156**	37,147
Reportable segment assets	**431,892**	161,815	**38,317**	26,842	**113,226**	11,300	**190,165**	129,231	**80,569**	61,941	**854,169**	391,129
Unallocated assets											**10,985**	1,109
Total assets											**865,154**	392,238
Reportable segment liabilities	**404,328**	81,233	**7,239**	3,775	**26,950**	15	**9,045**	6,165	**1,405**	511	**448,967**	91,699
Unallocated liabilities											**66,290**	44,935
Total liabilities											**515,257**	136,634

Amount of HK$12,042,000 (2009: HK$13,370,000, HK$11,658,000 and HK$8,998,000), which were individually more than 10 percent of the Group's revenue and included in the revenue of payment solutions segment, was revenue from transactions with one (2009: three) single customer.

The figure of 2009 have been restated due to the change in the presentation of information for reporting to the Group's most senior executive management for the purpose of resource allocation and performance assessment with effect in 2010.

(b) Geographical information

	PRC		Hong Kong/overseas		Consolidated	
				(Restated)		(Restated)
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**48,090**	61,853	**74,862**	25,120	**122,952**	86,973
Other revenue	**3,731**	906	**381**	111	**4,112**	1,017
Total revenue	**51,821**	62,759	**75,243**	25,231	**127,064**	87,990
Non-current assets	**246,779**	156,859	**56,701**	50,618	**303,480**	207,477

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, investment properties and prepaid land lease premium, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operation, in the case of interest in an associate and deposit paid for an investment.

7. INCOME TAX EXPENSE/(CREDIT)

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits for the year. For the year ended 31 December 2009, no provision for Hong Kong profits tax was made in these financial statements as the Group had no assessable profits.

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC (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 Company's subsidiaries operating in the PRC are subject to the tax rate at 25% (2009: 25%).

During the year, 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/(credit) represents the sum of the current tax and deferred tax and is made up as follows:

	2010	2009
	HK$'000	*HK$'000*
Current tax:		
Current year	**3,438**	–
Under-provision in respect of previous year	**10**	–
	3,448	–
Deferred taxation		
Current year – *Note 8(a):*	**11,721**	(1,797)
	15,169	(1,797)

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

	Hong Kong		**PRC**		**Total**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit before income tax	**1,740**	10,190	**66,407**	14,577	**68,147**	24,767
Applicable tax rate (%)	**16.5**	16.5	**25**	25	**N/A**	N/A
Tax on profit before income tax, calculated at the applicable tax rate	**287**	1,681	**16,602**	3,644	**16,889**	5,325
Tax effect of non-deductible expenses in determining taxable profit	**386**	60	**3,107**	3,020	**3,493**	3,080
Tax effect of non-taxable revenue in determining taxable profit	**(85)**	(1)	**(44)**	(345)	**(129)**	(346)
Tax effect of unrecognised decelerated depreciation allowances	**(58)**	53	**–**	–	**(58)**	53
Tax effect of unrecognised tax losses	**471**	–	**149**	1,312	**620**	1,312
Tax effect of utilisation of tax losses	**(1,001)**	(1,793)	**(1,126)**	(1,811)	**(2,127)**	(3,604)
Tax effect on tax free concession	**–**	–	**(3,455)**	(7,617)	**(3,455)**	(7,617)
Under-provision in respect of previous year	**10**	–	**–**	–	**10**	–
Under-provision of deferred tax in previous years	**–**	–	**(74)**	–	**(74)**	–
Income tax expense/(credit)	**10**	–	**15,159**	(1,797)	**15,169**	(1,797)

8. DEFERRED TAXATION

(a) The following is deferred tax asset/(liability) recognised by the Group and movements hereon during the current year and prior year:

	Unutilised tax losses	Revaluation of investment properties	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1.1.2009	–	–	(1,798)	(1,798)
Credited to consolidated income statement for the year	–	–	1,797	1,797
Exchange adjustments	–	–	1	1
At 31.12.2009 and 1.1.2010	–	–	–	–
(Charged)/credited to consolidated income statement for the year – *Note 7(b)*	124	(11,845)	–	(11,721)
Exchange adjustments	3	(343)	–	(340)
At 31.12.2010	**127**	**(12,188)**	**–**	**(12,061)**

(b) The components of unrecognised deductible/(taxable) temporary difference of the Group are as follows:

	2010	2009
	HK$'000	*HK$'000*
Deductible temporary differences – *Note (i)*		
Decelerated tax allowances	**157**	143
Unutilised tax losses	**28,785**	38,124
	28,942	38,267
Taxable temporary difference – *Note (ii)*		
Accelerated tax allowances	**(639)**	(213)
	28,303	38,054

Notes:

(i) Deductible temporary differences have not been recognised in these consolidated financial statements owing to the absence of objective evidence in respect of availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences. Included in unrecognised tax losses are losses of HK$2,918,000 (2009: HK$9,057,000) that will expire within five years from the date of incurrence. Other losses can be carried forward indefinitely.

(ii) Taxable temporary differences have not been recognised in these consolidated financial statements owing to its immateriality.

9. DIVIDEND

(a) Dividend payable to shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2010 HK$'000	2009 HK$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK0.39 cents per share (2009: Nil)	**6,016**	–

(b) Dividend payable to shareholders of the Company attributable to the year

	2010 HK$'000	2009 HK$'000
Final dividend proposed after the end of the reporting period HK0.60 cents per share (2009: HK0.39 cents per share)	**9,265**	5,865

The final dividend proposed after the end of the reporting period has not been recognised as liabilities at the end of the reporting period.

10. EARNINGS PER SHARE

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

	2010 HK$'000	2009 HK$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**53,294**	28,478

	2010	2009
Number of shares		
Weighted average number of shares in issue for the purpose of calculation of basic earnings per share	**1,540,635,844**	1,503,928,858
Effect of dilutive potential ordinary shares:		
Share options	**–**	–
Weighted average number of shares in issue for the purpose of calculation of diluted earnings per share	**1,540,635,844**	1,503,928,858

For the years ended 31 December 2010 and 31 December 2009, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Overview

During the current fiscal year, the Group recorded a turnover of approximately HK$122,952,000, representing an increase of approximately 41% as compared to the last fiscal year. The profit attributable to shareholders of the Company was HK$53,294,000 in the current year, representing an increase of approximately 87% as compared to the last fiscal year. The increase in turnover is mainly due to the major growth of the Group's payment solution business. The significant increase in net profit is benefited from the growth of turnover and increase in fair value of investment properties. The growth of turnover is attributable to our staff's hard working, flexibility, creativity, and strategic persistency.

Liquidity and Financial Resources

At 31 December 2010, the Group had net current assets of approximately HK$76,760,000. Current assets comprised inventories of approximately HK$16,803,000, debtors of approximately HK$224,760,000, trade deposits of approximately HK$1,800,000, other deposits, prepayments and other receivables of approximately HK$39,043,000, financial assets at fair value through profit or loss of approximately HK$10,985,000, prepaid land lease premium of approximately HK$1,068,000, and cash and bank balances of approximately HK$267,215,000.

Current liabilities comprised bank loans of approximately HK$32,409,000, trade payable of approximately HK$24,846,000, payable to merchants of approximately HK$339,632,000, deposits received, sundry creditors and accruals of approximately HK$84,489,000 and tax payable of approximately HK$3,538,000.

The gearing ratio (defined as a percentage of total liabilities over total assets) of the Group at 31 December 2010 was 58% (2009: 35%).

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

Review

In this year, the management adopted a practical approach to implement the Board's objective of innovation and breakthrough and moving forward in leaps and bounds

The Group has exceeded expectations in both market and financial performance this year. We recorded a successful turnover crossing the hundred million dollar mark and achieved a growth of more than 40% over the same period last year. In the mid of year, the Group made the successful transferring the listing from the Growth Enterprise Market to the Main Board of The Stock Exchange of Hong Kong Limited, marking a major milestone in our history. This achievement reflects our Group's sound business practices and innovative management ideas. This successful balancing of risk management and revenue generation has brought about greater long-term shareholder value. This will continue to be the focus of our efforts in the future.

Our Group has strengthen our structure and implemented various strategies in our payment solutions business, timber and furniture manufacturing, systems integration and technologies platform, industrial park development and other multi-industry investment projects, We are beginning to see the results of these efforts.

For payments solutions business, the B2C business has intensified in competition. We focused market development and innovation and have succeeded in growing our transaction volumes. Our Group's various operations have also performed beyond our financial targets and recorded a double digit growth. We achieved a record high in total merchant numbers, members, total revenue and net profit. We have upgraded our existing payment platform to improve the overall efficiency and offer better services to our merchants and customers. Furthermore, we have achieved rapid business growth in some industries, such as airline and education opened up new market segments in the hotel and retail Industries. Our most noteworthy achievement this year is the rapid business development achieved in Hong Kong and the international market. Our many years of experience in developing the multi-currency processing platform have resulted in demand for our products and services in the international market. We focused on risk control and compliance issues to improve our risk-control protocols and strengthening our risk control capabilities within our proprietary anti-fraud systems to provide customers a more secure method of payment. All these enhancements and developments have given us a surge in sales volume and gross profit.

After establishing our modern production methods for our timber and furniture manufacturing business the previous year, our timber business has expanded to sixteen cities of thirteen provinces in China. We also held a conference for our reseller to promote the design concept, brand and corporate philosophy. This also helped to establish closer and stronger ties with our reseller. In this year, we are building a brand recognized for using modern techniques to manage timber resources and used this opportunity to introduce our high-end furniture brand "Heritage Mode". The brand is establishing a strong reputation and attracting loyal customers. At the same time, products like "Ling Yun Bedroom" with propreitory intellectual property won industry award this year. We are also expanding the production of raw materials by recruiting local technicians and workers in Indonesia.

During this year, the Group completed the construction of Universal Enterprises Building in Shanghai and passed the necessary building inspections and licenses. Apart from being our headquarters, we have secured tenants like ICBC as well as companies in related industries. Through this experience, the Group is conducting feasibility studies on a larger scale to develop industrial parks based on e-commerce and financial related services.

The strategy of developing human resources is always our key priority. By introducing senior specialists, information technology professionals, restructuring the organization, and reviewing our business models and processes, this has resulted in increasing the efficiency in our business. At the same time, we have not only increased the staff count but have also increased our operating efficiency

Prospective

The successful transfer of listing to the Main Board of Stock Exchange of Hong Kong Limited marks a key milestone in the development of the Group. Through our market adaptability, innovation and implementation strategies, we have made the transition from a Small Medium Enterprise to a large enterprise. This is now a new starting point for us to meet the challenges of the future.

In 2011, there will be many uncertain external factors that will challenge our future development. We will continue to adhere to our management principles in risk management and operational practices to overcome these challenges.

Firstly, we will persist in management innovation, and staff motivation Secondly, practice fair business dealings and encourage win-win partnerships. Thirdly, we will continue to invest, optimize our resources and sustain our growth and development. Fourthly, we continue to focus on research and development and product innovation. Fifthly, we will continue to build our brand and promote our corporate values. Last but not the least, we will look after the interests of our shareholders and fulfill our role as a responsible corporate citizen.

In the future, innovation will be the beg to our success as we continue to enhance our competitive edge in the long term. For payment solutions business, the Group will continue to follow its blue ocean strategy and embrace innovation. The Group will consolidate advantages in economics of scale and enhance its core capabilities. We will actively and cautiously seek suitable investment opportunities and consider further expansion into the international market. We will accelerate Research & Development and product integration. This will provide the Group with new business models and areas for business growth. For timber business, by conducting market research and analysis, a strong branding strategy and capitalizing on our competitive edge, we will strive to break a new ground for our sales channel and our technology platform, we will enhance our system in order to provide a comprehensive technical support to our customers. For the industry park, we will provide a complete service package to potential tenants in addition to rental of office space.

Against the current economic backdrop, we expect to be faced with challenges and we will respond with sound strategies and proper risk control.

The Group's existing financial resources are sufficient to fulfill its commitments and further development. However, with potential investments and projects on the horizon, we will leverage on the use of external capital and financial resources to help our complete our tasks and take advantage of future opportunities.

We are ready to move forward to face the many challenges ahead and our goal is to achieve even more in the future.

Employees

At 31 December 2010, the total number of employees of the Group was 468 (2009: 297). 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 PRC.

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 current fiscal year, the Group acquired an additional 4% equity interests in a subsidiary at a consideration of RMB400,000 (equivalent to HK$457,000). The carrying amount of the non-controlling interests in the subsidiary on the date of acquisition was HK$4,427,000. The Group recognised a decrease in non-controlling interests on the date of acquisition of HK$422,000 and a decrease in equity attributable to shareholders of the Company of HK$35,000.

During the current fiscal year, the Group disposed of 15% equity interests in a subsidiary at a consideration of RMB15,750,000 (equivalent to HK$18,338,000). The carrying amount of the non-controlling interests in a subsidiary on the date of disposal was HK$18,301,000. The Group recognised an increase in non-controlling interests of approximately HK$18,301,000 and an increase in equity attributable to shareholders of the Company of HK$37,000.

Charges on Group's Assets

At 31 December 2010, leasehold land with a net book value of HK$3,295,000 (2009: HK$Nil), properties held under medium-term lease with a net book value of HK$26,183,000 (2009: HK$1,808,000), investment properties with carrying value of HK$114,600,000 (2009: HK$Nil), construction in progress with a net book value of HK$Nil (2009: HK$39,641,000) and prepaid land lease premium with a net book value of HK$40,258,000 (2009: HK$77,731,000) were pledged to banks to secure banks loans granted to subsidiaries of the Group.

Details of Future Plans for Material Investments or Capital Assets

The Group had no detailed future plans for material investment or capital assets at 31 December 2010.

Currency Risk

Currently, the market anticipates moderate appreciation pressure on Renminbi. The Group has not implemented any formal policy in dealing with this foreign currency risk. However, in view of the fact that 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 2010, the Group did not enter into any arrangement to hedge its foreign currency exposure. However, the management monitors the related foreign currency exposure closely and will consider hedging significant currency exposure should the need arise.

Contingent Liabilities

The Directors consider that the Group had no contingent liabilities at 31 December 2010.

DIVIDENDS

The Board of Directors recommended a final dividend of HK0.60 cents (2009: HK0.39 cents) per share to shareholders registered in the Company's Register of Members as at the close of business on 6 May 2011. Upon approval by shareholders, the final dividend will be paid on or about 19 May 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 3 May 2011 to Friday, 6 May 2011 (both days inclusive). In order to qualify for the proposed final dividend for the year ended 31 December 2010, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at Room 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 29 April 2011.

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

During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share *HK$*	Lowest price paid per share *HK$*	Aggregate price paid *HK$'000*
December 2010	16,600,000	0.270	0.265	4,466

The Company made repurchases with a view to enhancing shareholder value in the long term.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2010.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and provisions as set out in the Code on Corporate Governance Practices as set out in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of the Stock Exchange ("GEM Listing Rules") (the "GEM CG Code") and, where appropriate, the principles and provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the"Main Board CG Code") subsequent to the transfer of listing of the Company's shares from GEM to the Main Board of the Stock Exchange on 22 June 2010 (the "Transfer Date"). The Company has complied with all the Code Provisions. It has also put in place certain Recommended Best Practices. The Board periodically reviews the corporate governance practices of the Company to ensure that they meet the requirements of the GEM CG Code and after the Transfer Date, the Main Board CG Code.

The Company has adopted the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules and Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors, before and after the transfer of listing of its shares on the Main Board on 22 June 2010 respectively.

Having made specific enquiry of all directors, the directors have complied with the above-mentioned required standards of dealings regarding directors' securities transactions throughout the year ended 31 December 2010.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's audited financial statements for the year ended 31 December 2010. The Audit Committee has also reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters.

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

Hong Kong, 18 March 2011

As at the date of this announcement, the Board of the Company comprises:

Executive Directors:
Mr. Lau Yeung Sang
Mr. Liu Ruisheng
Madam Luan Yumin
Madam Ren Lili
Mr. Chang Hung Lun

Non-Executive Director:
Mr. Chow Cheuk Lap

Independent Non-Executive Directors:
Mr. Meng Lihui
Mr. Fong Heung Sang
Mr. Liu Ji