UTS MARKETING SOLUTIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6113)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020 AND PAYMENT OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

FINANCIAL HIGHLIGHTS

	For the year ended 31 December	
	2020	2019
	RM'000	*RM'000*
Key financial data		
Revenue	**83,904**	79,470
Profit attributable to equity holders of the Company	**16,074**	13,362
Net profit margin	**19.2%**	16.8%
Interim dividend (per ordinary share)	**HK4.5 cents**	Nil
Special dividend (per ordinary share)	**Nil**	HK5 cents

The Board recommends payment of final dividend of HK4 cents per ordinary share for the year ended 31 December 2020 out of the share premium account (2019: Nil).

The board of directors (the "**Board**") of UTS Marketing Solutions Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020 together with the comparative audited figures for the year ended 31 December 2019. The results have been reviewed by the Audit Committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	**2020** ***RM'000***	2019 *RM'000*
Revenue	*4*	**83,904**	79,470
Other income		**3,655**	3,607
Other gains and losses		**(263)**	(716)
Staff costs		**(56,464)**	(55,783)
Depreciation		**(2,986)**	(2,635)
Other operating expenses	*6*	**(9,907)**	(9,584)
Profit from operations		**17,939**	14,359
Finance costs		**(513)**	(993)
Profit before tax		**17,426**	13,366
Income tax expenses	*7*	**(1,352)**	(4)
Profit and total comprehensive income for the year	*8*	**16,074**	13,362
Earnings per share			
Basic	*10(a)*	**RM4.02 cents**	RM3.34 cents
Diluted	*10(b)*	**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Note	**2020** **RM'000**	2019 RM'000
Non-current assets			
Property, plant and equipment		**3,044**	2,737
Right-of-use assets		**3,885**	3,203
Subleasing receivables		**99**	24
Deposits paid for acquisition of properties	*11*	**13,451**	–
Deferred tax assets		**1,011**	–
		21,490	5,964
Current assets			
Trade receivables	*12*	**22,819**	19,042
Subleasing receivables		**258**	239
Other receivables		**1,730**	1,588
Financial assets at amortised cost	*13*	**26,464**	26,689
Tax recoverable		**–**	32
Pledged bank deposits		**3,903**	3,428
Bank and cash balances		**13,126**	26,795
		68,300	77,813
Current liabilities			
Accruals and other payables		**4,381**	5,565
Bank overdrafts		**–**	387
Lease liabilities		**2,659**	2,086
Current tax liabilities		**344**	–
		7,384	8,038
Net current assets		**60,916**	69,775
Total assets less current liabilities		**82,406**	75,739
Non-current liabilities			
Lease liabilities		**2,158**	1,845
NET ASSETS		**80,248**	73,894
Capital and reserves			
Share capital	*14*	**2,199**	2,199
Reserves		**78,049**	71,695
TOTAL EQUITY		**80,248**	73,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 23 August 2016. The address of its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business registered in Hong Kong is at Unit 1802, 18/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong. The headquarters and principal place of business of the Group is at Tingkat 10, Bangunan KWSP, No. 3, Changkat Raja Chulan, 50200 Kuala Lumpur, Malaysia.

The Company is an investment holding company. The Company and its subsidiaries (collectively the "**Group**") are principally engaged in the provision of outbound telemarketing services and contact centre facilities for promotion of financial products and its related activities issued by authorised financial institutions, card companies or organisation worldwide.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendments to HKFRS 16 COVID-19 Related Rent Concessions.

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

These amendments had no impact on the consolidated financial statements.

Amendments to HKFRS 3 Definition of a Business

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

These amendments had no impact on the consolidated financial statements, but may impact future periods should the Group enters into any business combination.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform

The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reform.

The application of the amendments had no impact on the consolidated financial statements.

Amendment to HKFRS 16 COVID-19-Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19 Related Rent Concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendment and applies the practical expedient to all qualifying COVID-19 Related Rent Concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. There is no impact on the opening balance of equity at 1 January 2020.

(b) New and revised HKFRSs in issue but not yet effective

Other than the amendments to HKFRS 16 COVID-19 Related Rent Concessions, the Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2020. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform — Phase 2	1 January 2021
Amendments to HKFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16 Property, plant and equipment: proceeds before intended use	1 January 2022
Amendments to HKAS 37 Onerous contracts — cost of fulfilling a contract	1 January 2022
Annual Improvements to HKFRSs 2018–2020 Cycle	1 January 2022
Amendments to HKAS 1 Classification of liabilities as current or non-current	1 January 2023

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. REVENUE

An analysis of the Group's revenue from contracts with customers for the year from continuing operations is as follows:

	2020	2019
	RM'000	*RM'000*
Revenue from contracts with customers within the scope of HKFRS 15		
— Telemarketing services income	**83,904**	79,470

The Group derives revenue from the transfer of services over time in Malaysia for the years ended 31 December 2020 and 2019.

5. SEGMENT INFORMATION

Operating segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

As the Group is principally engaged in the provision of telemarketing services in Malaysia, which are subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value of the Group as a whole, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the profit before tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of Hong Kong Financial Reporting Standard 8 "Operating Segments".

Geographical information

All non-current assets and the Group's revenue from external customers during the year are located in Malaysia.

Revenue from major customers

Revenue from customers individually contributing over 10% of the total revenue of the Group for the year is as follows:

	2020	2019
	RM'000	*RM'000*
Customer A	**24,943**	23,501
Customer B	**12,264**	11,040

6. OTHER OPERATING EXPENSES

	2020	2019
	RM'000	*RM'000*
Auditor's remuneration	**521**	484
Campaign expenses	**1,893**	1,376
Legal and professional fees	**404**	474
Repair and maintenance expenses	**549**	377
Telephone and internet expenses	**2,025**	1,139
Training related expenses	**641**	995
Utilities expenses	**524**	559
Others	**3,350**	4,180
	9,907	9,584

7. INCOME TAX EXPENSES

	2020	2019
	RM'000	*RM'000*
Current tax — Malaysian Income Tax		
Provision for the year	**2,359**	–
Under-provision in prior years	**4**	4
	2,363	4
Deferred tax	**(1,011)**	–
	1,352	4

Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) on the estimated taxable profits for the year ended 31 December 2020.

No provision of profit tax in Cayman Islands, British Virgin Islands and Hong Kong is required as the Group has no assessable profit arising in or derived from these jurisdictions for the years ended 31 December 2020 and 2019.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Tele Response Sdn. Bhd. ("**Tele Response**"), a subsidiary of the Group obtained the pioneer certificate from the Malaysian Investment Development Authority in 2011 and was entitled to tax exemption of its statutory income for a period of 5 years from 10 February 2010 to 9 February 2015. Such tax exemption was renewed in 2015 and accordingly Tele Response was entitled to tax exemption of its statutory income for a period of 5 years from 10 February 2015 to 9 February 2020. No further renewal of tax exemption was obtained after 9 February 2020.

8. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	2020	2019
	RM'000	*RM'000*
Auditor's remuneration	**521**	484
Depreciation on property, plant and equipment	**789**	828
Depreciation on right-of-use assets	**2,197**	1,807
Loss on modification of financial assets at amortised cost	**1**	159
Impairment loss on financial assets at amortised cost	**482**	507
Impairment loss on trade receivables	**126**	–
Staff costs (including directors' emoluments)		
— Salaries, bonuses and allowances	**49,743**	48,948
— Retirement benefit scheme contributions	**5,976**	6,127
— Social insurance contributions	**745**	708
	56,464	55,783

9. DIVIDENDS

	2020	2019
	RM'000	*RM'000*
2020 interim dividends of HK4.5 cents per ordinary share paid	**9,720**	–
2018 final dividends of RM6 cents per ordinary share paid	**–**	24,000
2019 special dividends of HK5 cents per ordinary share paid	**–**	10,600
	9,720	34,600

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2020 of HK4 cents per ordinary share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting. The Board did not recommend payment of a final dividend for the year ended 31 December 2019.

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the following:

	2020	2019
	RM'000	*RM'000*
Earnings		
Earnings for the purpose of calculating basic earnings per share	**16,074**	13,362

	2020	2019
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**400,000**	400,000

(b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2020 and 2019.

11. DEPOSITS PAID FOR ACQUISITION OF PROPERTIES

	2020	2019
	RM'000	*RM'000*
Deposits for properties	**13,451**	–

The amounts represent unsecured deposits paid for acquisition of properties with total purchase consideration of approximately RM17,935,000 (the "**Consideration**"). The deposit is non-interest bearing and will form part of the consideration upon the completion of properties.

On 24 July 2020, UTS Marketing Solutions Sdn. Bhd. ("**UTSM**"), a wholly-owned subsidiary of the Company, entered into sale and purchase agreements with Lim Legacy Development Sdn. Bhd. ("**Lim Legacy**") to acquire 18 office suites (the "**Properties**") locating at Kuala Lumpur, Malaysia. The Properties are expected to be completed by July 2024 and delivered to UTSM. As at 31 December 2020, 75% of the total Consideration, amounting to approximately RM13,451,000, has been paid to Lim Legacy.

Further details of the above transaction are set out in the Company's announcements dated 24 July 2020 and 28 July 2020 respectively.

12. TRADE RECEIVABLES

	2020	2019
	RM'000	*RM'000*
Trade receivables	**22,945**	19,042
Allowance for doubtful debts	**(126)**	–
	22,819	19,042

The Group's trade receivables represent receivables from customers. The general credit term of trade receivables is 30 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by directors.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2020	2019
	RM'000	*RM'000*
0 to 30 days	**7,913**	7,556
31 to 60 days	**7,724**	6,758
61 to 90 days	**2,372**	2,608
91 to 120 days	**1,919**	680
121 to 180 days	**1,942**	1,148
Over 180 days	**949**	292
	22,819	19,042

The carrying amounts of the Group's trade receivables are denominated in RM.

13. FINANCIAL ASSETS AT AMORTISED COST

	2020	2019
	RM'000	*RM'000*
Loan receivables	**26,146**	25,885
Interest receivables	**1,307**	1,311
	27,453	27,196
Less: Impairment loss	**(989)**	(507)
	26,464	26,689

The amounts represent loan advanced to independent third parties with aggregated principal values of RM26,000,000.

On 31 January 2019, UTSM entered into a shares sale agreement with Exsim Development Sdn. Bhd. ("**Exsim**") and Mightyprop Sdn. Bhd. ("**Mightyprop**") to acquire 2% of Mightyprop issued ordinary shares from Exsim with a purchase consideration of RM2. In addition, UTSM agreed to provide an advance of RM12,000,000 to Mightyprop. The advance is unsecured, bearing interest rate of 10% per annum and repayable on or before May 2020. In July 2019, an agreement was entered by UTSM with Exsim and Mightyprop in which (i) the maturity date of the loan is extended to June 2020 with the interest rate remains unchanged; (ii) the proposed transfer of 2% shareholding in Mightyprop by Exsim to UTSM will not be proceeded due to non-fulfillment of certain conditions precedent. In July 2020, the repayment date of the loan was further extended one year to June 2021 with no change in interest rate.

On 23 April 2019, UTSM entered into a shares subscription agreement with 2 individuals, Performance Consortium Sdn. Bhd. (collectively referred as "**Arcadia's Shareholders**") and Arcadia Hospitality Sdn. Bhd. ("**Arcadia**"). Pursuant to the agreement, UTSM agreed to subscribe equivalent to 10% of the enlarged issued share capital of Arcadia with a purchase consideration of RM120,000 from Arcadia's Shareholders. In addition, UTSM agreed to provide an advance of RM14,000,000 to Arcadia. The advance is unsecured, bearing interest rate of 10% per annum and repayable on or before July 2020. In July 2020, the repayment date of the loan was extended to December 2020 and interest rate remains unchanged. In December 2020, the repayment date was further extended one year to December 2021 and interest rate increased from 10% per annum to 11% per annum. The share acquisition has not yet been completed as at the date of this results announcement.

Further details of the above transaction are set out in the Company's announcement dated 31 January 2019, 23 April 2019, 8 July 2019, 8 July 2020, 10 July 2020 and 30 December 2020 respectively.

The Group holds the loan receivables to collect contractual cash flows and its contractual terms give rise to cash flows on specified dates which are solely payments of principal and interest on the principal amounts outstanding. The Group applies expected credit loss model to measure the impairment of financial assets at amortised cost. Impairment allowance of approximately RM482,000 was recognised for the year ended 31 December 2020 (2019: RM507,000).

14. SHARE CAPITAL

	Number of shares	Amount *HK$'000*
Authorised:		
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	10,000,000,000	100,000

	Number of shares	Amount *HK$'000*	Equivalents to amount *RM'000*
Issued and fully paid:			
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	400,000,000	4,000	2,199

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, at 31 December 2020 is 11% (2019: 12%).

The externally imposed capital requirement for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float at least 25% of the issued shares; and (ii) to meet financial covenants attached to the banking facilities.

The Group receives a report from the share registrars regularly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2020, 25% (2019: 25%) of the shares were in public hands.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings for the years ended 31 December 2020 and 2019.

15. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2020	2019
	RM'000	*RM'000*
Acquisition of properties	**4,484**	–
Capital commitment on potential equity investment	**120**	120
	4,604	120

16. EVENTS AFTER THE REPORTING PERIOD

The outbreak of the COVID-19 pandemic is impacting the global markets. The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving and the consequences are therefore inevitably uncertain.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the provision of outbound telemarketing services and contact centre facilities for promotion of financial products and its related activities issued by authorised financial institutions, card companies or organisations worldwide.

In 2020, the Group was operating eight contact centres located within the central business district of Kuala Lumpur, Malaysia. Two additional contact centres have been set up during the year to cater for workplace social distancing requirement as well as business expansion. A new customer with monthly order size of 50 workstations was awarded to the Group in November 2020.

The Group's net profit for the year ended 31 December 2020 amounted to approximately RM16.07 million, representing an increase of approximately RM2.71 million as compared to approximately RM13.36 million for the year ended 31 December 2019.

The increase in net profit was mainly attributable to the effect of increase in revenue from the business in Malaysia by approximately RM4.43 million but contracted by income tax expenses of approximately RM1.35 million because one of the subsidiaries of the Group was entitled to tax exemptions from its statutory income in Malaysia for a maximum period of 10 years from 10 February 2010 to 9 February 2020 without further renewal.

Response to Outbreak of COVID-19 Pandemic

After the outbreak of COVID-19 in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe, including Hong Kong and Malaysia.

The Malaysian Government first imposed the Movement Control Order ("**MCO**") on 18 March 2020 in which only limited essential services were allowed to operate. Since telemarketing business does not fall within the scope of essential services, the Group had to suspend its business operation for the period until 4 May 2020 when the Malaysian Government announced the Conditional Movement Control Order ("**CMCO**"), pursuant to which the lockdown restrictions were relaxed and certain business sectors were permitted to resume operations accordingly. From 10 June 2020 onwards, the Malaysian Government implemented the Recovery Movement Control Order ("**RMCO**"). Under the RMCO, most of the remaining economic sectors were allowed to resume operations progressively in stages, with full compliance with Standard Operating Procedures.

Upon business resumption in early May 2020, a new contact centre was set up to comply with the workplace social distancing requirement. Towards the end of December 2020, the Group set up another new contact centre for the purpose of, not only to cater for the distancing requirement, but also to accommodate a new project on board.

However, the situation of COVID-19 pandemic in Malaysia has been worsened again in early 2021. In view of this, the Malaysian Government re-implemented the MCO on some of the critical states and federal territories for the period from 11 January 2021 to 4 March 2021, following by the CMCO until 31 March 2021. Furthermore, the head of state of Malaysia has issued a Proclamation of Emergency for the period from 11 January 2021 to 1 August 2021. The effect of the aforesaid proclamation on us is yet to be seen as of the date of this announcement.

In contrast to the first MCO, an expanded list of broadly five essential economic services, namely manufacturing, construction, services, trade distribution and plantation and commodities were allowed to continue operations. Therefore, there was not much impact on the Group and the Group was able to operate as usual within part of the allowable essential service chain and activities during the second phase of the MCO.

To cope with the ongoing situation of the COVID-19 pandemic, the Group has, in a timely manner, put in place numerous precautionary measures and procured essential protective supplies to ensure the health and safety of all its employees in different regions. At the same time, the Group has implemented various flexible working arrangements for its staff. The Group has used, and will continue to use, its best endeavors to mitigate the adverse impact of the COVID-19 pandemic on the Group.

The Group will continue monitoring the development of the COVID-19 pandemic closely to ensure the safety of its employees and stable operations. As and when appropriate, the Group will adjust its measures and business continuity plans for mitigating the potential impacts of the COVID-19 pandemic, operations and business development accordingly.

Financial Review

Revenue

	2020	2019
	RM'000	*RM'000*
Industry sector		
Insurance	**63,750**	68,608
Banking and financial	**4,763**	4,628
Others	**15,391**	6,234
Total	**83,904**	79,470

For the year ended 31 December 2020, the Group recorded revenue of approximately RM83.90 million, representing an increase of approximately 5.58% as compared with approximately RM79.47 million for the year ended 31 December 2019. Such increase was attributable to the increase in the number of workstations ordered by our clients, particularly from charitable organisations.

The overall average number of workstations ordered per month increased from 1,101 seats for the year ended 31 December 2019 to 1,132 seats for the year ended 31 December 2020. Revenue generated per workstation per month improved slightly from RM6,015 for the year ended 31 December 2019 to RM6,177 for the year ended 31 December 2020.

Other income

For the year ended 31 December 2020, other income remained relatively stable mainly due to recurring interest income receivable from the financial advances to two independent third parties. The aggregate principal sums of the advances amounted to RM26 million, which bearing interest at the rate of 10% per annum.

Other gains and losses

For the year ended 31 December 2020, other losses decreased by approximately RM0.46 million as compared to prior year, from losses of approximately RM0.72 million to losses of approximately RM0.26 million, mainly due to the increase in unrealised foreign exchange gains of approximately RM0.47 million.

Staff costs

For the year ended 31 December 2020, staff costs increased by approximately RM0.68 million or 1.22%, from approximately RM55.78 million to approximately RM56.46 million.

The average number of staff per month increased slightly from 1,430 for the year ended 31 December 2019 to 1,456 for the year ended 31 December 2020. The overall average staff cost per month remained relatively stable at RM3,232 for the year ended 31 December 2020 (2019: RM3,251).

Depreciation

For the year ended 31 December 2020, depreciation charges increased by approximately RM0.35 million or 13.32%, from approximately RM2.64 million to approximately RM2.99 million. The increase in the depreciation charges was mainly attributable to depreciation on right-of-use assets arising from long-term tenancy contracts newly entered into during the year.

Other operating expenses

For the year ended 31 December 2020, other operating expenses increased by approximately RM0.33 million or 3.37%, from approximately RM9.58 million to approximately RM9.91 million. The increase was primarily due to increase in telephone and internet expenses, compensated by decrease in training related expenses and travelling expenses.

Finance costs

For the year ended 31 December 2020, finance costs decreased by approximately RM0.48 million, from approximately RM0.99 million to approximately RM0.51 million. The decrease was primarily due to decrease in imputed interest expenses on the financial advances to independent third parties during the year.

Income tax expenses

The Group reported an income tax provision of approximately RM2.36 million from the assessable profits for the year ended 31 December 2020, netting off by deferred tax income of approximately RM1.01 million arising from unused tax losses not previously recognised.

No income tax expenses provision was required for the year ended 31 December 2019 since the Group did not generate any assessable profits for that year. One of the subsidiaries of the Group was entitled to tax exemption from its statutory income in Malaysia for a period of 10 years from 10 February 2010 to 9 February 2020. No further renewal of tax exemption was obtained after 9 February 2020.

Net profit and net profit margin

As a result of the above factors, the Group recorded profit after tax of approximately RM16.07 million and RM13.36 million for the years ended 31 December 2020 and 2019 respectively, with net profit margin of approximately 19.2% and 16.8% for the corresponding years. The increase in net profit margin by 2.4% was mainly due to the increase in revenue.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Financial resources

The Group generally meets its working capital requirements and capital expenditures on plant and equipment from its internally generated funds. For the year ended 31 December 2020, the Group generated net cash inflow from operating activities of approximately RM10.74 million (2019: approximately RM9.16 million). The Group was able to fulfill its repayment obligations when they became due. The Group has not experienced any material difficulties in rolling over its banking facilities.

Banking facilities and lease liabilities

As at 31 December 2020, the Group had available and unutilised facilities from its banks amounting to approximately RM5.10 million (2019: approximately RM4.71 million). The carrying amount of the Group's facilities are denominated in Malaysian Ringgit.

The Group's average effective interest rate for the banking facilities was 8.17% (2019: 8.75%). The banking facilities are secured by the pledged bank deposits and the corporate guarantees provided by the Company.

As at 31 December 2020, the Group had an aggregate amount of current and non-current lease obligations of approximately RM4.82 million (2019: approximately RM3.93 million), denominated in Malaysian Ringgit. The average effective interest rate for the leases was 4.00% (2019: 4.34%). The carrying amount of lease obligations amounted to approximately RM0.4 million (2019: approximately RM0.6 million) is secured by the lessor's retention of title to the leased assets.

Capital Structure

As at 31 December 2020, the Group's total equity and liabilities amounted to approximately RM80.25 million and RM9.54 million respectively (2019: approximately RM73.89 million and RM9.88 million respectively).

Gearing Ratio

The gearing ratio of the Group as at 31 December 2020 was 6.0% (2019: 5.8%) which is calculated based on the total debt divided by equity attributable to equity holders of the Company. Total debt represents bank overdrafts and lease liabilities. The Group has a strong liquidity position to meet its operational needs.

RISKS FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

The Company identified and determined the major risks factors which may affect the operation results and financial conditions of the Group through risk management process, which include the following:

Risk in the ability to secure sufficient labour and control staff cost

Contact service industry is a service-oriented and labour intensive business. Any shortage in staff, or increase in staff costs may materially and adversely affect our business, results of operations, financial condition and prospects.

As at 31 December 2020, the Group had 1,421 employees. Total staff costs incurred by the Group for the year ended 31 December 2020 was approximately RM56.46 million (2019: approximately RM55.78 million), representing approximately 67.3% of the Group's revenue for the year ended 31 December 2020 (2019: 70.2%).

To manage such risk, the Group has endeavoured to attract and retain sufficient number of staff, in particular our telemarketing sales representatives by offering performance-linked commission and incentive based on pre-determined sales target.

In addition, appropriate corrective actions and re-training measures have been taken to further improve the quality of the services provided by our telemarketing sales representatives.

Delay in settlement of bills from the top five clients

The majority of the Group's revenue is derived from a limited number of clients. Sales to the five largest clients accounted for 71.5% of the total revenue for the year ended 31 December 2020 (2019: 70.0%). All the five largest clients are insurance companies and charitable organisation.

The Group may be subject to the risk of delay in payment from our clients. If settlements of bills are not made in full or in a timely manner, the cash position and financial conditions of the Group will be materially and adversely affected.

To manage such risk, the Group monitors the trade receivables collection status from time to time in order to ensure the outstanding amounts due from our clients can be fully recovered. As at 31 December 2020, the Group has recorded trade receivables of approximately RM22.82 million. Up to the date of this results announcement, approximately RM17.21 million or 75.4% of the outstanding trade receivables balances have been subsequently settled.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 12 July 2017, the Company's shares (the "**Shares**") were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). A total number of 100,000,000 Shares were issued to the public at HK$1.38 per share for a total gross proceeds of HK$138 million. The total net proceeds raised from the global offering of the Company were approximately HK$109.7 million (equivalent to approximately RM60.3 million) after the deduction of related listing expenses. The intended use of proceeds has been consistent with the disclosure in the prospectus of the Company dated 22 June 2017 (the "**Prospectus**"). Up to 31 December 2020, the respective use of the net proceeds were as follows:

Intended usage	**Actual net proceeds received**	**Amount utilised as at 31 December 2020**	**Amount unutilised as at 31 December 2020**
	RM'000	*RM'000*	*RM'000*
Expanding outbound contact service business	30,137	30,137	–
Setting up inbound contact centre	15,070	15,070	–
Upgrading and enhancing information technology system	9,041	2,329	6,712
General working capital	6,027	6,027	–
Total	60,275	53,563	6,712

The balance of the net proceeds is currently deposited in licensed financial institutions in Hong Kong and Malaysia.

The total unutilised net proceeds of approximately RM6.71 million will be applied consistently to that disclosed in the Prospectus. The Directors are not aware of any material changes to the intended usage of proceeds as at the date of this announcement.

The Board had prudently reviewed and considered the market condition before making any expenditures for the above intended usage, mainly due to the following factors: (i) the Group is still in the infancy stage of setting up a new inbound contact centre and the incidental information technology equipment, (ii) the Group is still searching for experienced consultant and inbound management team, (iii) increasing demand on more advanced e-commerce and work from home type of information technologies requirement as compared to conventional information technology, and (iv) increasing demand on operating spaces in order to promote better workplace social distancing practice.

The balance of the unutilised proceeds is expected to be utilised by 31 December 2021. The intended time frame has been envisaged on the best possible estimation and assumption of the market condition and development by the Group as at the date of this announcement. The outbreak of COVID-19 pandemic was unprecedented and has created uncertainties on the global and domestic economies. However, this opens up an opportunity for outsourcing risk management strategy for global and domestic clients.

PLEDGE OF ASSETS

As at 31 December 2020, the Group's bank facilities, denominated in Malaysian Ringgit, were (i) secured by the pledged bank deposits of approximately RM3.90 million (2019: approximately RM3.43 million); and (ii) guaranteed by corporate guarantees of the Company.

CAPITAL COMMITMENTS

As at 31 December 2020, the Group's capital commitment contracted but not yet incurred is related to potential equity investment and acquisition of collectively 18 office suites amounted to approximately RM4.60 million (31 December 2019: RM0.12 million).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2020.

ADVANCE TO ENTITIES

Advance to Mightyprop Sdn. Bhd.

On 31 January 2019, UTS Marketing Solutions Sdn. Bhd. ("**UTSM**"), a wholly-owned subsidiary of the Company, entered into an agreement with Exsim Development Sdn. Bhd. ("**Exsim**") and Mightyprop Sdn. Bhd. ("**Mightyprop**") to acquire 2% of the entire issued capital of Mightyprop from Exsim with a purchase consideration at nominal value of RM2. In addition, UTSM agreed to provide an advance of RM12,000,000 to Mightyprop. The advance was unsecured, bearing interest rate of 10% per annum and repayable in or before May 2020. In July 2019, an agreement was entered by UTSM with Exsim and Mightyprop pursuant to which the proposed acquisition of 2% shareholding in Mightyprop would not be proceeded, the maturity date of the advance has been extended to June 2020 and the interest rate remained unchanged.

On 8 July 2020, UTSM, Exsim and Mightyprop entered into an extension agreement, pursuant to which Exsim has undertaken to (i) repay the advance on or before 30 June 2021 and (ii) pay the interest calculated at the rate of 10% per annum accrued from 1 July 2020 to 31 December 2020 and 30 June 2021, which shall be payable on 7 January 2021 and 7 July 2021 respectively.

Advance to Arcadia Hospitality Sdn. Bhd.

On 23 April 2019, UTSM entered into a shares subscription agreement with 2 individuals, Performance Consortium Sdn. Bhd. (collectively referred as "**Arcadia's Shareholders**") and Arcadia Hospitality Sdn. Bhd. ("**Arcadia**"). Pursuant to the agreement, UTSM agreed to subscribe for new shares equivalent to 10% of the enlarged issued share capital of Arcadia with a consideration of RM120,000 from Arcadia's Shareholders. In addition, UTSM agreed to provide an advance of RM14,000,000 to Arcadia. The advance was unsecured, bearing interest rate of 10% per annum and repayable in or before July 2020.

On 13 July 2020, Arcadia requested for an extension of the long-stop date for the fulfilment of the conditions precedent for shares subscription transaction. UTSM agreed to extend the same to 31 December 2020, with interest rates remained unchanged.

However, on 30 December 2020, a further extension was demanded by Arcadia for the shares subscription. As such, UTSM agreed to extend (i) the long-stop date for the fulfillment of the conditions precedent to 31 December 2021, and (ii) the final repayment date of the advance to 31 December 2021, provided that interest rate has been revised to 11% per annum, effective from 1 January 2021.

The financial advances to entities under Rule 13.20 of Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and the details of the above transactions have been disclosed in the Company's announcements dated 31 January 2019, 23 April 2019, 8 July 2019, 8 July 2020, 10 July 2020 and 30 December 2020 respectively.

As at 31 December 2020, the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules existed and the principal values of the advances to Mightyprop and Arcadia amounted to RM12 million and RM14 million, with maturity dates of 30 June 2021 and 31 December 2021 respectively.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had 1,421 (31 December 2019: 1,596) employees. Total staff costs incurred by the Group for the year ended 31 December 2020 were approximately RM56.46 million (2019: approximately RM55.78 million).

The employees of the Group were remunerated according to their job scope and responsibilities. Performance-linked commission and allowances on top of fixed salary were given to the employees to motivate productivity and stimulate better performance. The employees were also entitled to annual discretionary performance bonus, salary increment and promotion based on timely performance reviews and annual appraisals.

INTEREST RATE RISK

As at 31 December 2020, the Group's pledged bank deposits, financial advances and lease liabilities bore interest at fixed interest rates and therefore were subject to fair value interest rate risk. The Group's exposure to cash flow interest rate risk arises from its bank deposits and bank overdrafts. These deposits and overdrafts bore interests at variable rates that are subject to the then prevailing market condition. The Board believes that the Group does not have significant interest rate risk exposures.

FOREIGN CURRENCY EXPOSURE

Save and except that certain bank balances are denominated in Hong Kong dollars, the Group has minimal exposure to foreign currency risk because most of the business transactions, assets and liabilities are principally denominated in Malaysian Ringgit, the functional currency of the Group. The Group currently does not have a hedging policy in respect of foreign currency transactions, assets and liabilities. The management monitors the foreign currency exposure from time to time and will consider hedging significant foreign currency exposure should the need arise.

SIGNIFICANT INVESTMENT HELD

As at 31 December 2020, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2020.

MATERIAL ACQUISITIONS OR DISPOSALS

On 24 July 2020, UTSM entered into acquisition agreements with Lim Legacy Development Sdn. Bhd. ("**Lim Legacy**") in relation to the acquisition of 18 office suites locating at Millerz Square @ Old Klang Road, Kuala Lumpur (the "**Properties**"), with a provisional floor size of 27,806 square feet and storage areas of 200 square feet. The total purchase consideration of the Properties amounted to approximately RM17,935,000, which shall be payable to Lim Legacy subject to the respective stages of completion certified by professional parties. As at 31 December 2020, 75% of the total consideration, amounting to approximately RM13,451,000, has been paid to Lim Legacy.

The above acquisition has been disclosed in the Company's announcements dated 24 July 2020 and 28 July 2020 in accordance to Rule 14.07 of the Listing Rules.

Save as disclosed above, there was no other material acquisition or disposal entered into by the Group for the year ended 31 December 2020.

PAYMENT OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

The Board has recommended the declaration and payment of a final dividend of HK4 cents per ordinary Share (the "**Final Dividend**") out of the share premium account of the Company (the "**Share Premium Account**") for the year ended 31 December 2020, subject to the Shareholders' approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 18 May 2021 (the "**AGM**"). A circular containing, inter alia, further information about the Final Dividend out of the Share Premium Account will be dispatched as soon as possible.

If the Final Dividend is approved by the Shareholders, the total amount of dividend attributable to the full financial year ended 31 December 2020 will be HK8.5 cents (2019: HK5 cents) per Share.

As at the date of this announcement, the Company has 400,000,000 Shares in issue. Based on the number of issued Shares as at the date of this announcement, the Final Dividend, if declared and paid, will amount to an aggregate amount of HK$16,000,000. Subject to the fulfilment of the conditions set out in the paragraph headed "Conditions of the Payment of Final Dividend out of Share Premium Account" below, the Final Dividend is intended to be paid out of the Share Premium Account pursuant to Article 134 of the Articles of Association of the Company (the "**Articles**") and in accordance with the Cayman Companies Act.

As at 31 December 2020, based on the audited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account was approximately RM67,863,000 (equivalent to approximately HK$130,948,000). Following the payment of the Final Dividend, there will be a remaining balance of approximately RM59,303,000 (equivalent to approximately HK$114,948,000) standing to the credit of the Share Premium Account.

Conditions of the Payment of Final Dividend out of Share Premium Account

The payment of the Final Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

(a) the passing of an ordinary resolution by the Shareholders at the AGM declaring and approving the payment of the Final Dividend out of the Share Premium Account pursuant to Article 134 of the Articles;

(b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Final Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business; and

(c) the Company having complied with all requirements under the laws of the Cayman Islands regarding the payment of Final Dividend out of the Share Premium Account.

Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about Tuesday, 8 June 2021 to those Shareholders whose names appear on the register of members of the Company at close of business on Monday, 31 May 2021, being the record date for determination of entitlements to the Final Dividend.

The conditions set out above cannot be waived. If any of the conditions set out above is not satisfied, the Final Dividend will not be paid.

Reasons for and effect of the payment of the Final Dividend out of the Share Premium Account

The Board considers that it is unnecessary to maintain the Share Premium Account at the current level and it is appropriate to distribute the Final Dividend in recognition of Shareholders' support.

After taking into account a number of factors including cash flow and financial condition of the Company, the Board considers it is appropriate and proposes that Final Dividend be paid out of the Share Premium Account in accordance with Article 134 of the Articles and the Cayman Companies Act. The Board considers such arrangement to be in the interests of the Company and its Shareholders as a whole.

The Board believes that the payment of the Final Dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 12 May 2021 to Tuesday, 18 May 2021 (both days inclusive), during such period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 11 May 2021.

The register of members will be closed from Wednesday, 26 May 2021 to Monday, 31 May 2021 (both days inclusive), for the purpose of determining the entitlement to the Final Dividend for the year ended 31 December 2020. The record date will be on Monday, 31 May 2021. In order to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 25 May 2021.

RETIREMENT BENEFIT SCHEME

The Group contributes to Employees Provident Fund for their employees in accordance with the statutory requirements prescribed by the relevant Malaysian laws and regulations. The Group is required to contribute certain percentage (6%–13%) of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

For the year ended 31 December 2020, the total amount contributed by the Group to the retirement benefit scheme was approximately RM5.98 million (2019: approximately RM6.13 million).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the paragraph headed "Response to the Outbreak of COVID-19 Pandemic", the Board is not aware of any material event which requires adjustment to or disclosure as from 31 December 2020 to the date of this announcement.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders of the Company nor any of their respective close associates that compete or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the year ended 31 December 2020.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Saved as disclosed in the paragraph headed "Response to the Outbreak of COVID-19 Pandemic", there had been no material changes on the business operation of the Group since 31 December 2020.

OUTLOOK AND FUTURE PROSPECTS

The Group's strategic objective remains unchanged, i.e. to continue focusing on the business strategies as set out in the section headed "Business — Business Strategies" of the Prospectus.

Despite the challenges and uncertainties in the global economies, unresolved trade war, deteriorating market sentiments which suffer from further headwind brought by the COVID-19 Pandemic, the Group expects the overall outlook to remain resilient without material deviation from its existing outbound telemarketing workstations ordered by its clients.

The Group has also been constantly reviewing the potential opportunities to increase its number of workstations ordered beyond its current customer base by either working with new database owners, new insurers or takaful operators in order to improve the Group's financial performance.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 14 June 2017 and the same became effective from 12 July 2017, the date on which the Shares were listed and commenced trading on the Stock Exchange. No option was granted, exercised, cancelled or lapsed during the year ended 31 December 2020.

The Share Option Scheme is a share incentive scheme and is established to enable the Company to grant options to the eligible participants as incentives or rewards for the contribution they had or may have made to the Group. The Share Option Scheme will provide the eligible participants the opportunity to have personal stake in the Company with the view to achieve the following objectives:

(a) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and

(b) attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

Eligible participants of the Share Option Scheme include (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; (iii) any consultants or advisers (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), contractors, suppliers, service providers, agents, customers and business partners of the Company or any of its subsidiaries; and (iv) any such other persons who in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries.

PURCHASE, SALE OR REDEMPTION OF SHARES

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 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the code for dealings in securities transactions by the Directors. Specific enquiries have been made to all Directors and they have confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 December 2020.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining good corporate governance standard and procedures with a view to enhance investors' confidence and the Company's accountability and transparency.

The Company has complied with the code provisions included in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules and there has been no deviation from the code provisions as set forth under the CG Code throughout the year ended 31 December 2020, save and except for code provision C2.5 of the CG Code. The Company does not have an internal audit function as the Board presently considers that the size, nature and complexity of the Group's business does not require such function. The Board reviews and will continue to review the need to set up an independent internal audit function on an annual basis. At current stage, our finance team assumes the responsibility for conducting regular review of internal control procedures. Such arrangement may be improved, but the Board is not concerned with the lack of segregation of duties by reference to the current organisational structure, lines of responsibility and authority of the management team and the risks associated with the operations of the Group. The Board considers that the internal control and risk management system of the Group was effective during the year ended 31 December 2020.

AUDIT COMMITTEE

The Audit Committee of the Company was established on 14 June 2017 with written terms of reference in compliance with the Listing Rules. The committee comprises three independent non-executive Directors, namely Mr. Kow Chee Seng (Chairman of the Audit Committee), Mr. Lee Shu Sum Sam and Mr. Chan Hoi Kuen Matthew.

The annual results of the Company for the year ended 31 December 2020 have been reviewed by the Audit Committee. The Audit Committee also reviewed together with the management the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2020.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary results announcement for the year ended 31 December 2020 have been agreed by the Group's auditor, RSM Hong Kong, to the amounts set out in the Group's consolidated financial statements. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants. Consequently, no assurance has been expressed by RSM Hong Kong on this preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.unitedteleservice.com. The 2020 annual report of the Company will be despatched to shareholders of the Company and published on the aforesaid websites in due course.

On behalf of the Board
UTS Marketing Solutions Holdings Limited
Ng Chee Wai
Chairman and Executive Director

Hong Kong, 30 March 2021

As at the date of this announcement, the executive Directors are Mr. Ng Chee Wai (Chairman), Mr. Lee Koon Yew (Chief Executive Officer) and Mr. Kwan Kah Yew; and the independent non-executive Directors are Mr. Lee Shu Sum Sam, Mr. Kow Chee Seng and Mr. Chan Hoi Kuen Matthew.