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UTS MARKETING SOLUTIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6113)

DISCLOSEABLE TRANSACTION: PROVISION OF FINANCIAL ASSISTANCE ADVANCE TO AN ENTITY

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 31 January 2019 (after trading hours of the Stock Exchange), UTS Malaysia, a wholly-owned subsidiary of the Company, entered into an Agreement with Exsim and Mightyprop in relation to an Advance, pursuant to which UTS Malaysia has agreed to provide an Advance of RM12,000,000 to Mightyprop, a wholly-owned subsidiary of Exsim as at the date of this announcement.

LISTING RULES IMPLICATIONS

The Advance constitutes financial assistance under the Listing Rules. As the applicable percentage ratios as calculated under Rule 14.06 of the Listing Rules in respect of the Advance are more than 5% but less than 25%, the Advance constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Advance is subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

Since the Advance in the sum of RM12,000,000 is more than 8% of the assets ratio, it is required to be announced under Rule 13.13 of the Listing Rules.

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THE AGREEMENT

The principal terms of the Advance are as follows:

Date: 31 January 2019 (after trading hours of the Stock Exchange)

Parties: (1) UTS Marketing Solutions Sdn. Bhd., a wholly-owned subsidiary of the Company;
(2) Exsim Development Sdn. Bhd., the sole shareholder of Mightyprop;
(3) Mightyprop Sdn. Bhd., a wholly-owned subsidiary of Exsim.

Amount of the Advance: RM12,000,000

Interest rate: 10.0% per annum on the amount of the Advance which remains unpaid

Term of the Advance: 12 months

Repayment: The Advance shall be repayable within 3 months upon expiry of 12 months from the date of Advance

Security: The Advance is unsecured.

Exsim agreed to transfer 2 shares of Mightyprop, representing 2% of its entire issued capital to UTS Malaysia at nominal consideration.

Conditions Precedent

The Advance is conditional upon the fulfilment of, inter alia, the following conditions:

- (a) Exsim having received the board resolutions and the shareholders' resolutions of UTS Malaysia approving the Agreement;
- (b) the warranties given by Exsim under the Agreement remaining true and accurate in all respects;
- (c) the Company having complied with all the requirements under the Listing Rules; and
- (d) no material adverse change having occurred since the execution of the Agreement.

In the event that the above conditions are not fulfilled (or waived as the case may be) within 30 days from the date of the Agreement (or any further extended periods as mutually agreed by the parties), either party shall have the option to terminate the Agreement.

INFORMATION OF EXSIM AND MIGHTYPROP

As at the date of this announcement, Exsim and Mightyprop are principally engaged in the business of property development in Malaysia. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Exsim, Mightyprop and their respective ultimate beneficial owners are Independent Third Parties and not connected with the Group as at the date of this announcement.

SOURCE OF FUNDING

The Advance is funded by the Group's internal generated funds.

REASONS FOR, AND BENEFITS OF, THE ADVANCE

The Company and its subsidiaries principally provide telemarketing services of financial products for its clients which are mainly banks and insurance companies.

The Group wishes to fully utilize its financial resources. Given that Mightyprop is in need of financing for its business and the potential return of the transaction contemplated under the Agreement is higher than merely depositing the financial resources of the Group in commercial banks, the Group has decided to provide financial assistance to Mightyprop. This will also allow the Group to diversify its business and sources of income, which in turn maximizes the return of its financial resources. Exsim is a reputable property developer in Malaysia and this arrangement will give a golden opportunity for the Group to develop business relationship with Exsim.

The terms of the Advance were negotiated on an arm's length basis between the Group and Exsim based on, amongst others, the financial needs requested by Exsim and Mightyprop, the Group's assessment on the source of funds for repayment and the business conditions and creditworthiness of Exsim and Mightyprop. Taking into account the interest income expected to be generated as a result of the Advance, the Directors consider that the terms and conditions of the Agreement are on normal commercial terms and are fair and reasonable and that the Advance is in the interest of the Company and the Shareholders as a whole.

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Since the Advance in the sum of RM12,000,000 is more than 8% of the assets ratio, it is required to be announced under Rule 13.13 of the Listing Rules.

As none of the Directors has a material interest in the Advance, no Director is required to be abstained from voting on the relevant resolutions.

DEFINITIONS

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

“Advance”	the advance of RM12,000,000 proposed to be made by UTS Malaysia to Mightyprop pursuant to the Agreement
“Agreement”	the agreement dated 31 January 2019 entered into between UTS Malaysia and Exsim and Mightyprop in relation to the Advance
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or a public holiday) in Kuala Lumpur, Wilayah Persekutuan, Malaysia
“Company”	UTS Marketing Solutions Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 6113)
“Directors”	the directors of the Company
“Exsim”	Exsim Development Sdn. Bhd., a private limited company incorporated in Malaysia, the sole shareholder of Mightyprop and the entire issued share capital of which is owned by Independent Third Parties
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mightyprop”	Mightyprop Sdn. Bhd., a private limited company incorporated in Malaysia, the entire issued share capital of which is wholly-owned by Exsim as at the date of this announcement
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“Shareholder(s)”	holder(s) of the Share(s)

“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UTS Malaysia”	UTS Marketing Solutions Sdn. Bhd., a private limited company incorporated in Malaysia and the wholly-owned subsidiary of the Company

By order of the Board
UTS Marketing Solutions Holdings Limited
Ng Chee Wai
Chairman and Executive Director

Hong Kong, 31 January 2019

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.