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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 23 April 2019 (after trading hours of the Stock Exchange), UTS Malaysia, a wholly-owned subsidiary of the Company, entered into the Agreement with Mr. Lim AH, Mr. Lim AK, Performance and Arcadia in relation to an Advance, pursuant to which UTS Malaysia has agreed to provide the Advance of RM14,000,000 to Arcadia.

LISTING RULES IMPLICATIONS

The Advance constitutes financial assistance under the Listing Rules. As the highest 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 RM14,000,000 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 : 23 April 2019 (after trading hours of the Stock Exchange)
- Parties : (1) UTS Marketing Solutions Sdn. Bhd., a wholly-owned subsidiary of the Company;
- (2) Mr. Lim AH;
- (3) Mr. Lim AK;
- (4) Performance
- (Mr. Lim AH, Mr. Lim AK and Performance being the shareholders of Arcadia); and
- (5) Arcadia.
- Amount of the Advance : RM14,000,000
- 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.

UTS Malaysia agreed to subscribe for, and Arcadia agreed to issue and allot such number of ordinary shares representing 10% of its enlarged issued and paid up shares at the consideration of RM120,000. Arcadia is newly incorporated in January 2019 and to the best knowledge, information and belief of the Directors, save for the initial capital contribution of RM1,000,000 by the Arcadia Shareholders, it has minimal assets, liabilities and revenue.

Conditions Precedent

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

- (a) UTS Malaysia having received the board resolutions and the shareholders' resolutions of Arcadia approving the Agreement and transactions contemplated thereunder;
- (b) Arcadia Shareholders having received the board resolutions and the shareholders' resolutions of UTS Malaysia approving the Agreement and transactions contemplated thereunder;

- (c) UTS Malaysia having completed all the due diligence review over legal, financial, technical and operational aspects of Arcadia and being satisfied with the results thereof;
- (d) the warranties given by the Arcadia Shareholders under the Agreement remaining true and accurate in all respects;
- (e) the Company having complied with all the requirements under the Listing Rules and the applicable laws; and
- (f) no material adverse change having occurred since the execution of the Agreement.

In the event that the above conditions are not fulfilled within six months from the date of the Agreement or any further extended period(s) as mutually agreed by the parties, any party shall have the option to terminate the Agreement.

INFORMATION OF PERFORMANCE AND ARCADIA

As at the date of this announcement, Arcadia is principally engaged in the business of property development in Malaysia and Performance is principally engaged in the business of investment holding. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, each of the Arcadia Shareholders, Arcadia and their respective ultimate beneficial owners are Independent Third Parties and are not connected with the Company and its connected persons 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 Arcadia 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 Arcadia. This will also allow the Group to diversify its business and sources of income, which in turn maximizes the return of its financial resources.

The terms of the Advance were negotiated on an arm's length basis between the Group and Arcadia based on, amongst others, the financial needs requested by Arcadia, the Group's assessment on the source of funds for repayment and the business conditions and creditworthiness of Arcadia Shareholders and Arcadia. 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 RM14,000,000 is more than 8% of the assets ratio, it is required to be announced under Rule 13.13 of the Listing Rules.

All the applicable percentage ratios for the subscription of ordinary shares in Arcadia are below 5% and therefore is not subject to reporting, announcement nor shareholders' approval requirements under Chapter 14 of the Listing Rules.

As none of the Directors has a material interest in the Agreement, 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 RM14,000,000 proposed to be made by UTS Malaysia to Arcadia pursuant to the Agreement;
“Agreement”	the agreement dated 23 April 2019 entered into among Mr. Lim AH, Mr. Lim AK, Performance, UTS Malaysia and Arcadia in relation to, inter alia, the Advance;
“Arcadia”	Arcadia Hospitality Sdn. Bhd., a private limited company incorporated in Malaysia, the entire issued share capital of which is owned by Mr. Lim AH, Mr. Lim AK and Performance as at the date of this announcement;
“Arcadia Shareholders”	Mr. Lim AK, Mr. Lim AH and Performance;
“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;
“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;
“Mr. Lim AH”	Lim Aik Hoe, a businessman, who is one of the three shareholders of Arcadia and is an Independent Third Party;
“Mr. Lim AK”	Lim Aik Kiat, a businessman, who is one of the three shareholders of Arcadia and is an Independent Third Party;
“Performance”	Performance Consortium Sdn. Bhd., a private limited company incorporated in Malaysia, one of the three shareholders of Arcadia and the entire issued share capital of which is owned by Independent Third Parties;
“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; and
“UTS Malaysia”	UTS Marketing Solutions Sdn. Bhd., a private limited company incorporated in Malaysia and the wholly-owned subsidiary of the Company

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

Hong Kong, 23 April 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.