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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)

QUARTERLY UPDATE

Reference is made to: (1) the 2024/25 Final Results Announcement of Universal Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 September 2025 in relation to the final results for the 2024/25 18M-Period; (2) the 2024/25 Annual Report containing the Group’s 2024/25 FS, as supplemented by the Company’s supplemental announcement dated 28 January 2026; (3) the Company’s 2025/26 Interim Results Announcement dated 27 February 2026 in relation to the interim results for the 2025/26 Interim Period; (4) the 2025/26 Interim Report containing the Group’s 2025/26 Interim FS; (5) the previous quarterly update announcements of the Company dated 31 December 2025 and 31 March 2026; and (6) the Company’s announcement dated 5 June 2026 in relation to the Disposal (the “**Disposal Announcement**”). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the announcements and reports stated above.

This announcement is made by the Board to provide a quarterly update on the implementation of the Company’s plans and measures in mitigating the Group’s liquidity risk and improving the Group’s financial position, and in resolving the Disclaimer of Opinion expressed by the Auditor on the Group’s 2024/25 FS:

- (a) As at 31 December 2025, the Group had total banking facilities granted in the amount of approximately RMB1,050,000,000 (approximately HK\$1,166,739,000) (the “**Banking Facilities Granted at Present**”), of which approximately RMB385,340,000 (approximately HK\$428,182,000) remained unutilised. The entire Banking Facilities Granted at Present will mature only in October 2028 to March 2036. As disclosed in the 2024/25 Final Results Announcement and the 2024/25 Annual Report, given the strong business relationship maintained by the Group with its bankers and based on past experiences, the Directors expect that the Group should be able to renew all Banking Facilities Granted at Present when they expire if it so wishes.
- (b) As disclosed in the 2024/25 Final Results Announcement and the 2024/25 Annual Report, the Group will continue to enhance its liquidity and operating cash flows through the negotiation with the supplier and pursuing the restructuring of the Group’s subsidiaries with the view to resolving the disputes and settling the outstanding amounts relating to the ongoing litigation.

- (c) As at 31 December 2025, (i) the Group’s Trade Payables arising from Water Business amounted to approximately HK\$525.33 million, of which approximately HK\$511.40 million represented water costs (and provisions made therefor) which are still subject to the Disputes and Litigations with (inter alia) the Government-designated Water Plant; and (ii) included in deposits received, other payable and accruals was compensation of approximately HK\$24.11 million payable as a result of civil judgments rendered by the Qingyuan Court in litigation with the same supplier/plaintiff (the **“Other Payable arising from Ancillary Charges”**). Details regarding the Disputes and Litigations were already disclosed in the Company’s announcement dated 3 March 2020 and updated from time to time in our financial reports including the latest updates as contained in the section headed **“Litigation”** in the 2025/26 Interim Results Announcement and the 2025/26 Interim Report.
- (d) Apart from seeking legal advice to uphold our position in the Disputes and Litigations, the Group was also in negotiation with the Government-designated Water Plant with the view to exploring the possibility of reaching an amicable resolution of the Disputes and Litigations. However, the Company wishes to emphasize that such negotiation was still ongoing and no binding agreement has been concluded or reached with the counterparty at this stage. Further announcement(s) will be made as and when appropriate if there is any material development of such negotiation.
- (e) In addition, as disclosed in the Disposal Announcement, the Group entered into the Sale and Purchase Agreement with the Purchaser (a connected person as defined in the Listing Rules) in relation to the conditional Disposal of the Sale Shares (representing the entire 49% equity interest in the Target Company presently owned by the Group). The Disposal constitutes a major disposal and connected transaction for the Company under the Listing Rules and is subject to reporting, announcement, circular and Independent Shareholders’ approval requirements. As disclosed in the Disposal Announcement, the Disposal, if proceeds to Completion, should have the benefits of (i) reducing the Group’s risks exposure arising from the Disputes and Litigations; (ii) ceasing the adverse impact of high water costs sought to be charged by the Government-designated Water Plant on the Group’s profitability; (iii) resulting in the deconsolidation of the Trade Payables arising from Water Business and Other Payables arising from Ancillary Charges (both presently classified as current liabilities) from the Group’s consolidated financial statements, thereby substantially improving the Group’s liquidity position. The Disposal only involves the disposal of part, but not all, of the Group’s Water Supply Business, and that the Remaining Group shall continue to run its business of water supply in Qingxin District via the Remaining Water Group which, together with the Property Business and the Finance Business, are viable, sustainable and of substantial level of operations and asset value. The Company presently expects that circular in relation to the Disposal will be dispatched to the Shareholders on or before 31 July 2026, so that EGM can be held before the Long Stop Date of 31 August 2026.
- (f) As disclosed in the 2024/25 Final Results Announcement and the 2024/25 Annual Report, the Group will take proactive measures to reduce administrative and operating costs. In this regard, the Company has communicated its cost-control targets to the relevant business segments and function departments, will demand feedback and progress report with the view to monitoring implementation status from time to time.

- (g) As disclosed previously, the Directors have reviewed the Group's cash flow forecasts prepared by management of the Group, are of the opinion that the Group will have sufficient working capital to maintain its operations and to meet its financial obligations as and when they fall due for at least twelve months from the end of the 2025/26 Interim Period, and are satisfied that it is appropriate to prepare the 2025/26 Interim FS on a going concern basis. The management is in the course of updating the cash flow forecasts in the light of the recent developments resulted from the signing of the Sale and Purchase Agreement in relation to the Disposal.
- (h) The Audit Committee agreed with the management's action plans to improve the Group's liquidity as set out above with the view to addressing the Disclaimer of Opinion.
- (i) The Group's 2025/26 Interim FS were not reviewed by the Auditor. The Company has maintained ongoing communication with the Auditor regarding the implementation of the Group's action plans. The Auditor has noted that the successful implementation of such plans will help to significantly improve the Group's liquidity. Barring unforeseen circumstances or change of situations and subject to satisfactory business operating results, the Auditor will re-assess the Group's position of going concern when the Company's consolidated financial statements for the period ending 30 June 2026 are ready for audit in or around August and September 2026.

Further announcement(s) will be made as and when appropriate if there is any significant development as regards the implementation of the Company's plans and measures as mentioned above.

The negotiations in relation to the amicable resolution of the Disputes and Litigations as referred to in this announcement have yet to materialize by way of legally binding agreements and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

In this announcement, amounts denominated in RMB have been converted into HK\$ at the exchange rate of HK\$100 = RMB89.994 for illustration purposes only. No representation is made that any amounts in RMB were, could be or could have been converted into HK\$ at such rates or at all at any rates.

By Order of the Board
UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED
Chen Jinyang
Chairman and Chief Executive Officer

Hong Kong, 30 June 2026

As at the time of making of this announcement, the Board of Directors of the Company comprises three executive Directors namely Mr. Chen Jinyang (Chairman and Chief Executive Officer), Ms. Zhu Fenglian and Mr. Xuan Zhensheng; one non-executive Director namely Mr. Chen Lang; and three independent non-executive Directors namely Mr. Yeung Kin Chung Clifton, M.H., Mr. Chao Pao Shu George and Mr. Chai Chung Wai.