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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)

BUSINESS UPDATE – TAIHE WATER PLANT

This announcement is made by Universal Technologies Holdings Limited (the "**Company**", which together with its subsidiaries are collectively referred to as the "**Group**") to provide an update to the shareholders of the Company (the "**Shareholders**") and the investing public regarding the business operations of the Group.

The Concession Agreement of Taihe Water Plants by BOT arrangement

To recap, as disclosed in the previous financial reports of the Company, Qingyuan Qingxin District Taihe Water Co., Ltd. ("**Taihe Company**"), a non-wholly owned subsidiary of the Group, was granted the right to operate certain water supply plants (the "**Taihe Water Plants**") in Qingyuan City, Guangdong Province, the People's Republic of China (the "**PRC**") on a Build-Operate-Transfer ("**BOT**") basis, pursuant to a concession agreement (the "**Concession Agreement**") between Taihe Company and a competent government authority (the "**Concessioning Authority**") of Qingxin County (the predecessor to Qingxin District), Qingyuan City dated 21 November 2006. Under a typical BOT arrangement, the Concession Agreement involves Taihe Company as an operator constructing the Taihe Water Plants, operating and maintaining them at a specified level of serviceability for a period of 20 years from December 2006 to November 2026 (the "**Concession Period**"), and Taihe Company should be paid for its services over the Concession Period at prices stipulated through an agreed pricing mechanism. While Taihe Company is generally entitled to use the property, plant and equipment ("**PPE**") of the Taihe Water Plants, the Concessioning Authority controls and regulates the scope of services of Taihe Company, and retain the beneficial entitlement to any residual interest in Taihe Water Plants at the end of the Concession Period. Accordingly, infrastructure constructed by Taihe Company under the Concession Agreement is not recognised as PPE of the Group, and consideration received or receivable by Taihe Company for the construction services rendered under the Concession Agreement are recognised as an intangible asset.

Possible expiry of Concession Agreement

Under the terms of the Concession Agreement, Taihe Company has the first right of renewal to renew the contract upon the expiry of the Concession Period assuming all contract terms are equal. Pursuant to such first right of renewal, Taihe Company has applied to the competent government authority, the Water Resources Bureau of Qingxin District, Qingyuan City (the "**Water Bureau**") for a renewal of the Concession Agreement. However, up to the present date, Taihe Company has not received any positive feedback regarding our renewal application. On the contrary, recent correspondence with authority indicated that works should be planned in preparation of the expiry of the Concession Agreement on 30 November 2026 and the handover of Taihe Water Plants to the Water Bureau (or as it may direct). The Company therefore considers that the Concession Agreement is likely to expire on 30 November 2026 in accordance with its original terms.

The Company is seeking legal advice from its PRC legal advisers with the view to assisting the Group to continue to negotiate with the relevant authority and upholding the Group's legitimate right and interests. Further announcement(s) will be made if there is any material development in this regard.

Impact on the Group

The Group is principally engaged in (i) the supply of pipelined water, together with related customer services such as water quality inspection, water pipe repairs and maintenance, and water meter maintenance and replacement (the "**Water Business**"); (ii) property investment and development in the PRC and overseas (the "**Property Business**"); and (iii) the provision of financial services (the "**Financial Business**"). Taihe Company is a limited liability company established under the laws of the PRC principally engaged in the business of provision of water supply services, and a non-wholly owned subsidiary of the Company owned as to 51% by a 49%-owned intermediate subsidiary. On a look-through basis, the Company owns an effective economic interest of 24.99% in Taihe Company, with the remaining 75.01% being non-controlling interests (NCI) from the perspective of the Company.

As anticipated by the Company's announcements dated 5 June and 29 September 2026 and circular dated 25 August 2026, the Group completed the disposal of 49% equity (the "**Disposal**") in Qinghui Properties Limited ("**Qinghui**") which, through its subsidiary, used to be engaged in the Water Business in Qingcheng District, Qingyuan City. Following the expiry of the Concession Agreement, the remaining part of the Water Business carried out by Taihe Company in Qingxin District, Qingyuan City (the "**Remaining Water Business**") may have to be handed over to the Water Bureau and cease to operate.

Financial impact

As disclosed in the Company's announcement dated 30 September 2026 in relation to the Group's annual results for the year ended 30 June 2026 (the "**2026 Annual Results Announcement**"), the Group's intangible assets attributed to the Concession Agreement were only approximately HK$9.1 million as at 30 June 2026, principally reflecting the short remaining life and the amortisation throughout the Concession Period. The expiry of the Concession Agreement therefore only had an insignificant impact on the Group's financial position, given that the Group had total assets of approximately HK$1,729 million as at 30 June 2026.

The contributions by Taihe Company to the Group's turnover and profit/(loss) are illustrated as follows:

	For the eighteen months ended 30 June 2025			**For the twelve months ended 30 June 2026**		
	Taihe Company *(HK$'000)* *(unaudited)*	**The Group** *(HK$'000)* *(audited)*	**%**	**Taihe Company** *(HK$'000)* *(unaudited)*	**The Group** *(HK$'000)* *(audited)*	**%**
Turnover	**82,727**	451,301	18.33%	67,616	315,857	21.41%
(Loss) before taxation	**(99,688)**	(262,061)	38.04%	(69,025)	(241,612)	28.57%
(Loss) for the period	**(100,109)**	(259,384)	38.59%	(70,789)	(246,197)	28.75%

Prospects of the Group

The Group intends to focus on its Property Business, comprising a property portfolio of substantial value and contributing stable rental income to the Group for many years. In particular, the Group owns commercial properties in a shopping mall located at a prime location in Guangzhou City, the PRC having a carrying value of approximately RMB435,727,000 (approximately HK$503,271,000) as at 30 June 2026 and contributing rental income of approximately HK$29,514,000 to the Group for the year then ended. As disclosed in the 2026 Annual Results Announcement, such segmental revenue represents a significant increase of approximately 37% as compared to the time-apportioned figure of approximately HK$21,465,000 for the comparative period (which was 18 months rather than 12 months), principally due to the resurgence in market recovery and improved consumer sentiment, leading to heightened foot traffic and a lower vacancy rate in shopping malls. The occupancy rate of the Group's Guangzhou commercial properties increased from approximately 77% (for the 18 months ended 30 June 2025) to approximately 88% (for the 12 months ended 30 June 2026). Barring unforeseen circumstances such as sudden change in market environment, the Company is hopeful for an improvement of occupancy rate and rental income for the year ending 30 June 2027.

The Group will strive to explore promising property projects in the PRC and overseas and identify potential and new businesses and investment opportunities to enhance its market competitiveness, spread its risks and expand its revenue sources, so as to diversify the Group's business, strengthen its core business and achieve sustainable growth.

So far as the Financial Business is concerned, the Group was principally engaged in the provision of corporate finance advisory, asset management, securities brokerage services and margin financing, through the SFC-licensed corporations owned by the Group which are licensed to conduct Types 1, 6 and 9 regulated activities under the SFO. While the present contribution of the Financial Business is small as compared to the Property Business, the Group has been in preliminary discussions with certain financial institutions in the PRC with the view to forming strategic cooperation for the cross-referral of clients. The Group monitored market conditions and exercised caution and prudence in rolling out these projects, limiting the exposure at times of depression. With the gradual stabilization of stock markets in Hong Kong and the PRC, the Group aims to speed up the expansion of the Financial Business in the future.

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

Hong Kong, 3 November 2026

As at the date of this announcement, the Board of Directors of the Company comprises three executive Directors namely Mr. Chen Jinyang (Chairman & 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.