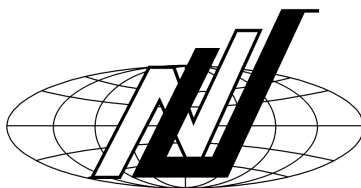


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NEW UNIVERSE INTERNATIONAL GROUP LIMITED

新宇國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

IN RELATION TO THE LIQUIDATION OF ASSETS AND VOLUNTARY BANKRUPTCY OF OVERSEAS SUBSIDIARIES

On 23 September 2002, the Board resolved to liquidate the assets of Canada Smartech Manufacturing and voluntarily bankrupt Canada Smartech under the Bankruptcy and Insolvency Act in Canada. The Board also appointed Shimmerman as the agent of Canada Smartech Manufacturing and as the trustee in Bankruptcy for Canada Smartech on 23 September 2002. Canada Smartech has filed a voluntary bankruptcy on 23 September 2002. As at the date of this announcement, Shimmerman had assumed its duty on the administration of the assets of Canada Smartech Manufacturing and Canada Smartech.

On 23 September 2002, the board of directors (the “Board”) of New Universe International Group Limited (the “Company”) resolved to liquidate the assets of Smartech Manufacturing Limited (Canada) (“Canada Smartech Manufacturing”) and to appoint Shimmerman Penn Title & Associates Inc. (“Shimmerman”) as its agent in the liquidation process. Canada Smartech Manufacturing is a limited company incorporated in Canada on 7 June 1994 and is an indirect wholly-owned subsidiary of the Company. Canada Smartech Manufacturing is principally engaged in the sale of molds in North America. As at 31 August 2002, Canada Smartech Manufacturing had assets of an aggregate net book value of approximately CAN\$221,000 (equivalent of approximately HK\$1,105,000) comprising of (i) fixed assets mainly comprising of machinery, computer equipment, furniture and other assets of a net book value of approximately CAN\$200,000 (equivalent of approximately HK\$1,000,000) and (ii) a cash balance of approximately CAN\$21,000 (equivalent of approximately HK\$105,000). Canada Smartech Manufacturing did not have any liabilities as at 31 August 2002. Accordingly, it is financially solvent. The proceeds from the disposal and realization of the assets of Canada Smartech Manufacturing, after settlement of the agency fee of about CAN\$10,000 (equivalent of approximately HK\$50,000) payable to Shimmerman and the related taxes and any out-of-pocket disbursements to Shimmerman, will be distributed to its immediate holding company,

Smartech Limited (Canada) (“Canada Smartech”), for the settlement of the liabilities of approximately CAN\$1,390,000 (equivalent of approximately HK\$6,950,000) of Canada Smartech as required under S.136(1) of the Bankruptcy and Insolvency Act in Canada. Canada Smartech is in the process of voluntary bankruptcy. After completion of the voluntary bankruptcy of Canada Smartech, Canada Smartech Manufacturing will not be a subsidiary of the Company. Canada Smartech Manufacturing had ceased all its business activities since 3 September 2002. As at the date of this announcement, there were no outstanding orders on hand. Shimmerman had also assumed its duty as the agent of Canada Smartech Manufacturing on the administration of the assets of Canada Smartech Manufacturing.

On 23 September 2002, the Board also resolved to voluntarily bankrupt Canada Smartech under S.49(1) of the Bankruptcy and Insolvency Act in Canada and to appoint Shimmerman as the trustee in bankruptcy for Canada Smartech (the “Trustee”). Canada Smartech is a limited company incorporated in Canada on 13 July 1999 and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the sale of molds and the provision of customer services in North America. As at 31 August 2002, Canada Smartech had assets of an aggregate net book value of approximately CAN\$921,000 (equivalent of approximately HK\$4,605,000) comprising of (i) fixed assets mainly comprising of motor vehicles, computer equipment, machinery, furniture, leasehold improvement and other assets with a net book value of CAN\$880,000 (equivalent of approximately HK\$ 4,405,000) and (ii) a cash balance of approximately CAN\$40,000 (equivalent of approximately HK\$200,000). As at 31 August 2002, Canada Smartech had liabilities of an aggregate book value of approximately CAN\$1,390,000 (equivalent of approximately HK\$6,950,000) comprising of (i) outstanding wages of approximately CAN\$40,000 (equivalent of approximately HK\$200,000), (ii) outstanding rent of approximately CAN\$11,000 (equivalent of approximately HK\$55,000) and (iii) outstanding creditor’s balance of approximately CAN\$1,339,000 (equivalent of approximately HK\$6,695,000) including an amount of approximately CAN\$1,100,000 (equivalent of approximately HK\$5,500,000) due to the Group. Accordingly, Canada Smartech is financially insolvent with net total liabilities amounting to approximately CAN\$469,000 (equivalent of approximately HK\$2,345,000) as at 31 August 2002. According to the Bankruptcy and Insolvency Act in Canada, settlement of the fee as trustee in bankruptcy for Canada Smartech of CAN\$18,500 (equivalent of approximately HK\$92,500) as reckoned by Shimmerman plus any related taxes and out-of-pocket disbursements to Shimmerman (collectively referred to as the “Trustee Fee”) is to be made by Canada Smartech prior to the settlement of all other debts. Outstanding debts of Canada Smartech are to be settled by the Trustee in accordance with the Bankruptcy and Insolvency Act in Canada out of the proceeds from the realization of all the assets of Canada Smartech and the distribution made by Canada Smartech Manufacturing as mentioned above. Canada Smartech had ceased all its business activities since 3 September, 2002 and employees with Canada Smartech were laid off on that date. As at the date of this announcement, there were outstanding orders amounting to approximately CAN\$50,000 (equivalent of approximately HK\$250,000) which are to be followed up by the Group in Hong Kong. On 23 September 2002, Canada Smartech filed a voluntary bankruptcy to its creditors. As at the date of this announcement, Shimmerman had assumed its duty as the Trustee on the administration of the assets of Canada Smartech.

The Company has made a guarantee on the payment of the Trustee Fee to the Trustee in the event that there

is a shortfall or deficiency of the assets of Canada Smartech to pay the Trustee Fee to the Trustee and a contingent liability of an amount of approximately CAN\$18,500 (equivalent of approximately HK\$92,5000) will be made in the accounts of the Company for such guarantee. Save for the aforesaid, the Company does not have any other liabilities in respect of Canada Smartech Manufacturing and Canada Smartech. As at the date of the announcement, the Board is not aware of any allegations of frauds or other impropriety in connection with Canada Smartech Manufacturing and Canada Smartech.

During the period from 1 January 2002 to 31 August 2002, Canada Smartech Manufacturing and Canada Smartech had incurred a loss of approximately HK\$2.7 million, representing about 18% of the total loss of approximately HK\$14.5 million incurred by the Company and its subsidiaries (“the Group”) during the period. The turnover from Canada Smartech Manufacturing and Canada Smartech for the eight months ended 31 August 2002 was approximately HK\$6.7 million, representing about 16% of the total turnover of approximately HK\$41.0 million of the turnover of the Group during the period. As set out in the interim report of the Company for the six months ended 30 June 2002, new management of the Company has been put in place to enhance operating efficiencies and redefine the corporate strategy in delivering shareholder value in the long run. Since the new management joined the Board in June 2002, the Board has been reviewing the performance of the individual companies within the Group with an objective to improving the overall performance of the Group as a whole. The Board reckoned that there is a market for the Group in Canada and North America and the Group would also like to maintain its presence in the region. The average monthly recurrent expenditures of Canada Smartech Manufacturing and Canada Smartech were approximately HK\$650,000 during the period from 1 January 2002 to 31 August 2002. The Board had evaluated that if a sales team comprising of 5 staff and 10 staff is to be set up in Hong Kong and China respectively to serve its customers in Canada and North America which would cost approximately HK\$250,000 per month, there would be a cost saving of approximately HK\$400,000 per month. Therefore, the Board resolved to liquidate the assets of Canada Smartech Manufacturing and to voluntarily bankrupt Canada Smartech under S.49(1) of the Bankruptcy and Insolvency Act in Canada. As at the date of this announcement, the Board did not have any plan on the other subsidiaries of the Company except for the liquidation of the assets of Canada Smartech Manufacturing and the voluntarily bankruptcy of Canada Smartech. Given that China is a member of the World Trade Organisation, the Board has envisaged that more and more customers in Canada and North America would be sourcing molds and toolings directly in China and the new sales team can serve these customers effectively. The Board considered that the closing down of the operations of Canada Smartech Manufacturing and Canada Smartech in Canada by liquidation of assets of Canada Smartech Manufacturing and voluntarily bankrupt of Canada Smartech would not affect the business of the Group as the Group would still provide the same business to, and serve, its customers in Canada and North America but under different business model by setting up a new sales team comprising of sales staff to be recruited in Hong Kong and China. The new sales team, comprising of sales staff in Hong Kong and China, will be responsible for preparing quotation, answering enquiries and liaising with customers in Canada and North America as well as the promotion and marketing the Group’s products through exhibitions in order to increase the market share of the Group’s business in the region. The Board believed that this could improve the performance of the Group and the resources so released could be diverted to more cost effective aspect. The Board did not anticipate that the closing down of the operations

of Canada Smartech Manufacturing and Canada Smartech in Canada by liquidation of assets of Canada Smartech Manufacturing and voluntarily bankrupt of Canada Smartech would have any material impact or effect on the Group's existing business. New Universe Enterprises Limited ("NUEL"), a substantial shareholder of the Company has advanced funding of about HK\$5 million and HK\$3.8 million in July 2002 and September 2002 respectively to the Group for the setting up of the new sales team in Hong Kong and China to serve the customers of the Group in Canada and North America. The advance from NUEL is interest-free and unsecured and repayable by 31 May 2003. As the advance of HK\$8.8 million from NUEL to the Company is interest-free, such advance from NUEL, who is a substantial shareholder of the Company and as such, a connected person of the Company under The Rules (the "GEM Listing Rules") Governing The Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, is exempt from reporting, announcement and independent shareholder's approval requirements under Rule 20.52(2) of the GEM Listing Rules. The Board planned to recruit 15 experienced sales staff, in particular, with molds selling experience in Canada and North America for the new sales team to serve the Group's business in Canada and North America. It is expected that such recruitment will be completed by the fourth quarter of 2002. As at the date of this announcement, the Group has recruited 2 staff in Hong Kong and China who have been serving the Group's customers in Canada and North America and promoting sales of molds and toolings in the region since mid-September 2002. The existing sales team of the Group consisting of 4 sales staff still serves the Group's market in Canada and North America. Canada Smartech Manufacturing and Canada Smartech had a sales force of 5 staff. With a sales force of 19 staff comprising of the existing 4 sales staff and a new sales team of 15 sales staff to be set up, the Board considered that it is adequate for the Group to serve its customers in Canada and North America. Currently, the 4 sales staff are working smoothly with the existing customers of the Group in North America and Canada. The production operation in Canada Smartech Manufacturing and Canada Smartech will be taken up by Dongguan Smartech Tooling & Plastics Limited ("Dongguan Smartech"), a subsidiary of the Group. Dongguan Smartech has 400 production staff as compared against the production team of 23 production staff in Canada Smartech Manufacturing and Canada Smartech. The Board considered that the Group's service to its North America customers would not be affected. The principal activities of the Group are the manufacturing and sales of molds and plastic toolings. After the liquidation of Canada Smartech Manufacturing and the completion of the voluntary bankruptcy of Canada Smartech, the Board does not anticipate that there is any change on the principal activities of the Group.

By order of the Board

New Universe International Group Limited

Hua Zhixiang

Chairman

Hong Kong, 27 September 2002

This announcement, for which the directors of the Company, collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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