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NEW UNIVERSE INTERNATIONAL GROUP LIMITED

新宇國際實業(集團)有限公司*

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

INVESTMENT IN A WHOLLY-OWNED FOREIGN ENTERPRISE IN SUZHOU

New Universe International Group Limited through a wholly-owned subsidiary, Smartech, entered into a Shareholders' Agreement with two BVI independent third parties, namely Good Tick and Gross Profit on 2 January 2003, to contribute capital to a limited company in Hong Kong known as Bestwin.

Currently, Good Tick and Gross Profit have contributed US\$1,000,000 (equivalent to HK\$7,800,000) and HK\$450,000 in cash for approximately 95% and 5% of Bestwin's shareholding interest respectively.

Pursuant to the Shareholders' Agreement, Good Tick and Gross Profit will contribute HK\$13,050,000 and HK\$450,000 towards the capital of Bestwin respectively. Smartech will contribute its know-how in providing advisory and management services, with an appraised value of HK\$1,500,000, towards the capital of Bestwin. After the capital contribution by the three parties, Good Tick, Gross Profit and Smartech will own 87%, 3% and 10% of the issued share capital of Bestwin. However, Smartech's share of interest in Bestwin will not be credited as fully paid up until the completion of the Service which is expected to be on 31 August 2003 as stated in the Shareholders' Agreement, or such other date as the parties may agree.

Bestwin is principally engaged in the investment holding of the entire share capital of Factory in the Suzhou province of PRC. The Factory is principally engaged in the manufacture and sales of small and simple mold and plastic products.

This transaction does not constitute a notifiable transaction pursuant to Chapters 19 and 20 of GEM Listing Rules.

The Shareholders' Agreement

Date: 2 January 2003

Parties: Good Tick, an independent third party not connected with any of the director, chief executive, substantial shareholder or management shareholder of the Company or their associates.

Gross Profit, an independent third party not connected with any of the director, chief executive, substantial shareholder or management shareholder of the Company or their associates.

Smartech, a wholly-owned subsidiary of the Group.

Subject matter: The parties' respective contribution towards the capital of Bestwin, which wholly owns the entire equity interest in the Factory that is principally engaged in the manufacture and sales of small and simple mold and plastic products in PRC.

Consideration: Bestwin has been incorporated in Hong Kong with an authorised share capital of HK\$15,000,000. The shares of Bestwin will be held by the parties in the following proportions:

Party	No. of Shares Held	% held	Consideration(HK\$)
Good Tick	13,050,000	87	13,050,000
Smartech	1,500,000	10	1,500,000
Gross Profit	500,000	3	500,000
Total	<u>15,000,000</u>	<u>100</u>	<u>15,000,000</u>

Good Tick and Gross Profit will make their respective capital contribution towards Bestwin by 30 June 2003. The 1,500,000 shares held by Smartech shall be credited as fully paid upon the completion of the Service, which is expected to be on 31 August 2003 as stated in the Shareholders' Agreement, or such other date as the parties may agree.

The Board has verbally sought for legal opinion about the validity of allotment of unpaid share capital of Bestwin in accordance with Companies Ordinance (Chapter 32) before the execution of the above agreement. Pursuant to Article 1 of the Articles of Association of Bestwin, the regulations contained in Table A in the First Schedule to the Companies Ordinance (Chapter 32) ("Table A") shall apply to Bestwin, and be deemed to be incorporated with the Articles of Association of Bestwin. Accordingly, pursuant to Article 67 contained in Table A, during the period from the date of allotment to Smartech of the 1,500,000 shares in Bestwin to completion of the Service, the Company shall not be entitled to vote at any general meeting unless all calls or other sums presently payable by the Company in respect of shares in Bestwin have been paid.

Bestwin

Bestwin is principally engaged in the investment holding of the entire share capital of Factory. Bestwin is a limited liability company and incorporated in Hong Kong on 25 October 2002.

Bestwin has an authorised share capital of HK\$15,000,000 divided into 15,000,000 ordinary shares of HK\$1 each. Currently, Good Tick and Gross Profit have contributed US\$1,000,000 (equivalent to HK\$7,800,000) and HK\$450,000 in cash for 95% and 5% of Bestwin's shareholding interest respectively.

Pursuant to the Shareholders' Agreement, Bestwin will allot an aggregate of 15,000,000 ordinary shares to the shareholders in accordance to the shareholding as mentioned in the above item "Consideration" under the above paragraph headed. "The Shareholders' Agreement". Accordingly, Good Tick and Gross Profit will contribute HK\$13,050,000 and HK\$450,000 towards the capital of Bestwin respectively. The board of directors of Bestwin expects that the contribution of share capital from Good Tick and Gross Profit will be fully paid in cash by June 2003. Smartech will contribute the Service, with an appraised value of HK\$1,500,000 towards the capital of Bestwin. The appraised value is projected from the actual spending on partial production and administrative staff cost by the Board and agreed by Partners, in arm's length estimated to be incurred by Smartech for provision of the Service to the Factory for the

period from 1 January 2003 to 31 August 2003. Smartech's share of interest will not be credited as fully paid up until the completion of the Service which is expected to be on 31 August 2003, as stated in the Shareholders' Agreement or such other date as the parties may agree.

Prior to the completion of the Service, the Company shall not be entitled to vote at any general meeting of Bestwin. After completion of the Service, Smartech's shareholding in Bestwin will be credited as fully paid up. The Company has no further commitment under the Shareholders' Agreement. The board of directors of Bestwin will be comprised of three directors, Mr. Xi, an executive director of the Company, Good Tick and Gross Profit.

The Factory

The Factory is principally engaged in the manufacture and sales of small and simple mold and plastic products and is a limited liability company incorporated in PRC on 23 December 2002. The Factory is wholly owned by Bestwin with a registered share capital of US\$2,000,000 (equivalent to approximately HK\$15,600,000). The board of directors of the Factory consists of Mr. Xi, Mr. Xia Jian Song and Ms. Un Oi Wan. Save that Mr. Xi is an executive Director of the Company, the other two directors are independent third parties.

The Partners

Good Tick and Gross Profit are incorporated in the British Virgin Islands on 8 November 2002 and 1 October 2002 respectively. They are principally engaged in the investment holdings of Bestwin and independent third parties to the Company. They have never been shareholders of the Company since their dates of incorporation and have never participated in the management of the Group. After entering the Shareholders' Agreement, they do not have any intention to be shareholders of the Company nor participate in the management of the Group.

The directors of the Partners have profound experience in manufacturing of plastic tooling and have good connection network in PRC.

Reason for entering into the Shareholders' Agreement

The Factory is located and operates in Suzhou near Shanghai and in the region of Changjiang River Delta. The Board anticipates that business opportunities for the Group around Shanghai and the region of the Changjiang River Delta will increase given that PRC has been admitted to the World Trade Organisation. Currently, the Group has a few customers with only 4% turnover from Shanghai and the region of the Changjiang River Delta. The Board plans to capitalise on the customer network to enlarge the customer base and expand market share in PRC. With an investment in Bestwin, the Group can gain more experience by participating in the management of the Factory and can understand the market response around Shanghai and the region of the Changjiang River Delta. The principal business activities of the Factory will be the manufacture and sale of small and simple molds and plastic products. The Board believes that the Factory will not compete with the business of the Company although there is no non-competition undertaking between Factory and Smartech. The Board considered that Factory will mainly be responsible for small and simple mold products while the business of the Company is engaging in large and sophisticated products.

General

The principal business activities of the Factory will be the manufacture and sale of small and simple molds and plastic products. The Board considered that the investment is in line with the principal business activities of the Group which are the manufacture and sale of molds and tooling products.

This transaction does not constitute a notifiable transaction pursuant to Chapters 19 and 20 of the Rules (the “GEM Listing Rules”) Governing The Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Definitions

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

“Bestwin”	Bestwin (China) Limited, a company incorporated in Hong Kong with limited liability.
“Board”	the board of Directors of the Company
“Company”	New Universe International Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Factory”	Suzhou New Universe Tooling and Plastic Limited, a tooling factory in the Suzhou province of PRC which is constructed and wholly owned by Bestwin, and managed by the board of directors of Bestwin
“Gross Profit”	Gross Profit Trading Limited, a company incorporated in the British Virgin Islands with limited liability, an independent third party, not connected with any of the director, chief executive, substantial shareholder or management shareholder of the Company or their associates
“Good Tick”	Good Tick Industries Limited, a company incorporated in the British Virgin Islands with limited liability, an independent third party not connected with any of the director, chief executive, substantial shareholder or management shareholder of the Company or their associates
“Mr. Xi”	Mr. Xi Yu, an executive Director of the Company.
“Partners”	Good Tick Industries Limited and Gross Profit Trading Limited
“PRC”	the People’s Republic Of China
“Shareholders’ Agreement”	A shareholders’ agreement was signed by Good Tick, Gross Profit and Smartech to contribute capital to Bestwin which is engaged in the investment holding of the Factory
“Smartech”	Smartech International Group Limited, a wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability
“Service”	Professional services of Smartech to oversee and supervise the establishment and operation of the Factory. The scope is

- (i) Provision for consultancy services to build a tooling factory in Suzhou, including advisory services on setting up the plant.
- (ii) Provision for consultancy services on application of using machineries after the factory has been built.
- (iii) Provision for technology know-how, such as plastic injection, bottle blow mold and solid modeling techniques.
- (iv) Assist in development of the “Professional Injection Mold System” programme which is jointly developed by the Group and the Department of Mechanical Engineering of the University Of Hong Kong with the support of the Hong Kong Innovation and Technology Commission (formerly known as the Hong Kong Innovation and Technology Fund). The Professional Injection Mold System is a software application linking between mold making operations and the computer-aided design system. With the aid of the software, molds can be designed directly from the computer-aided design models. It offers a fast and reliable solution for mold design and is able to shorten the design time and enhance the production quality.

By Order of the Board
New Universe International Group Limited
Hua Zhixiang
Chairman

Hong Kong, 23 April 2003

* *for identification purpose only*

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries that, to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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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