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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)

(Stock Code: 8068)

2006 CONTINUING CONNECTED TRANSACTIONS

The directors of the Company announce that during the year ended 31 December 2006, the Company's wholly owned subsidiary, SML, had purchased an aggregate 85,025 kg plastic resins delivered and received from China (HK) Chemical at a total consideration of HK\$1,408,622 in the ordinary and usual course of business of SML and on normal commercial terms no less favourable than those available from other independent third parties. China (HK) Chemical is a connected person of the Company. As the applicable percentage ratio for the aggregate consideration of the Purchases on an annual basis is more than 2.5% but less than 25% and the annual consideration is less than HK\$10,000,000, the Purchases constitute continuing connected transactions for the Company under Rule 20.34 of the GEM Listing Rules and are subject to the reporting and announcement requirements set out in Rules 20.45 and 20.47 of the GEM Listing Rules, but exempt from independent shareholders' approval.

PURCHASES OF RAW MATERIALS FROM CHINA (HK) CHEMICAL IN 2006

Parties

the supplier: China (HK) Chemical & Plastics Company Limited ("China (HK) Chemical")

the purchaser: Smartech Manufacturing Limited ("SML", a wholly owned subsidiary of New Universe International Group Limited ("Company" together with its subsidiaries, the "Group"))

As the Company's directors, Mr. XI Yu, Ms. CHEUNG Siu Ling, and Mr. SUEN Ki are also the directors of China (HK) Chemical, and Ms. CHEUNG Siu Ling and Mr. SUEN Ki are also beneficially interested in China (HK) Chemical, China (HK) Chemical is a connected person of the Company.

The Purchases in 2006

SML had entered into various purchase orders with China (HK) Chemical to purchase raw materials to meet the production requirement of its wholly owned subsidiary in the PRC, Dongguan Smartech Tooling & Plastics Limited ("Dongguan Smartech") during the year ended 31 December 2006. According to the quantities of raw materials ordered by SML and delivered

to Dongguan Smartech during the year ended 31 December 2006, the annual total purchases delivered and received from China (HK) Chemical amounted to HK\$1,408,622 in 2006 (the “Purchases”). The Purchases were in cash with details as follows:

Particulars	Quantity <i>kg</i>	Monetary value of the Purchases <i>HK\$</i>
Total ABS resins delivered and accounted for as Purchases in 2006	79,625	1,285,033
Total PC resins delivered and accounted for as Purchases in 2006	<u>5,400</u>	<u>123,589</u>
Total	<u><u>85,025</u></u>	<u><u>1,408,622</u></u>

As the applicable percentage ratio for the Purchases on an annual basis is more than 2.5% but less than 25% and the annual consideration is less than HK\$10,000,000, the Purchases constitute continuing connected transactions for the Company under Rule 20.34 of the Rules Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and are subject to the reporting and announcement requirements set out in Rules 20.45 and 20.47 of the GEM Listing Rules, but exempt from independent shareholders’ approval.

When purchases of raw materials have to be made, a purchase order will be issued and confirmed by the vendor. As prior to the delivery of the raw materials, the purchase order may be cancelled. As such, the amount of the purchase will only be recorded in the books upon delivery of the raw materials. The Group has a designated staff (“Designated Staff”) to monitor purchases from connected person(s) to ensure compliance with the GEM Listing Rules. During the period from December 2005 to August 2006, one of the largest customers of Dongguan Smartech (the “Customer”) has made a number of urgent orders. To fulfill such orders and to ensure an adequate supply of resins within a short period of time, SML ordered resins from China (HK) Chemical on behalf of Dongguan Smartech. The purchases have been monitored by the Designated Staff. However, in or about May 2006, there were urgent orders from the Customer, which resulted in a purchase order for a large quantity of resins on 22 May 2006. Due to the urgent nature of the Customer’s orders, the Designated Staff inadvertently failed to check the then balances of the monetary value of the aggregate purchase before confirming the purchase order. The purchase order was delivered to Dongguan Smartech on 21 June 2006. As explained above, upon delivery of the raw materials, the monetary value of such purchases were recorded in the books of Dongguan Smartech. After closing the books of Dongguan Smartech for the month ended 30 June 2006, the books were sent to the Hong Kong office by the end of July 2006 for reconciliation and preparation of the Interim Report for the six months ended 30 June 2006 (“2006 Interim Report”). Upon completion of the 2006 Interim Report in mid August 2006, the Company realized that the Purchases have exceeded the exempted threshold under the GEM Listing Rules in or about 30 June 2006.

It is believed that no additional disclosure has to be made in relation to the Purchases because:

- the purchases of resins from China (HK) Chemical has ceased in around August 2006; and
- the disclosures of the Purchases have been made in the 2006 Interim Report, subsequent quarterly report and the 2006 annual report of the Company.

Since the occurrence of the incident, the following measures have been taken by the Company to strengthen its internal control system to avoid occurrence of similar incidents in the future:

- in addition to the Designated Staff, the Company has appointed another staff to countercheck purchase orders from connected person(s) to ensure compliance measures can be taken on a timely basis; and
- the Group has already introduced a computer system to monitor transactions, including connected parties transactions electronically. The electronic system is reviewed from time to time and enhancement will be made thereto to improve its efficiency.

General

The Group is principally engaged in manufacture and trading of high precision molds and plastic products; property investment and development of dock infrastructure and operation and development of dock and depot facilities in Zhenjiang City, Jiangsu Province, the PRC.

SML is principally engaged in the manufacture and sale of high precision molds and plastic products, which ensures smooth supplies of raw materials to meet production requirements for its wholly owned subsidiary, Dongguan Smartech in the PRC. SML has compared the quotations with different suppliers (all are not connected persons of the Company in accordance with the GEM Listing Rules) for the plastic raw materials concerned before the Purchases were finally concluded with China (HK) Chemical. The Group and SML purchases raw materials from different suppliers, and China (HK) Chemical is only one of the Group's suppliers. The principal business of China (HK) Chemical is the trading of plastic resins and panels of LCD TV and monitors.

The independent non-executive directors of the Company opined that the terms of the Purchases were fair and reasonable and were in the interests of the shareholders of the Company as a whole. The Directors considered that the terms of the Purchases were fair and reasonable to the Company and in the interests of the shareholders as a whole also to the extent that the Purchases should be subject to the final acceptance and confirmation by the customers of the final products concerned.

The aggregate transaction amount of the individual purchase orders between SML and China (HK) Chemical recorded under goods delivered was amounted to HK\$230,000 for the year ended 31 December 2005, and there was no other transactions should be aggregated with that purchases from China (HK) Chemical in 2005 under Rules 20.25 and 20.27 of the GEM Listing Rules. SML had purchased raw materials from China (HK) Chemical amounted to

HK\$1,155 for the seven months ended 31 July 2007, which were solely for the manufacturing purposes of Dongguan Smartech and in the ordinary and usual course of the Group's business, and were transacted on normal commercial terms no less favourable than those available from other independent third parties to the Group.

In addition, as the Company has entered into the disposal agreement on 23 August 2007 ("Disposal Agreement") with details set out in the announcement and circular of the Company dated 31 August and 21 September 2007 respectively, it is expected that the Group will not continue to purchase raw materials from China (HK) Chemical for the use of Dongguan Smartech prior to the completion of the Disposal Agreement. Meanwhile, the Group has no present intention to purchase any raw materials from China (HK) Chemical. If the Group purchases any raw materials from China (HK) Chemical or other connected person(s), appropriate measures will be taken to ensure strict compliance with GEM Listing Rules in relation to any such transactions. Besides, the Directors confirmed that there is no other transactions entered into in the past 12 months or subsisted as of the date of this announcement which should be aggregated with the Purchases from China (HK) Chemical under Rules 20.25 and 20.27 of the GEM Listing Rules.

By Order of the Board
New Universe International Group Limited
XI Yu
Chairman

Hong Kong, 21 September 2007

As at the date of this announcement, the Board comprises Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. HON Wa Fai as executive directors; Mr. SUEN Ki as non-executive director; and Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred as independent non-executive directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- (2) there are no other matters the omission of which would make any statement in this announcement misleading; and*
- (3) 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.*

This announcement will appear and remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.