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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)

DISCLOSEABLE TRANSACTION

Financial adviser to the Company



博大資本國際有限公司

Partners Capital International Limited

Further to the announcements of the Company dated 15 October 2007 and 15 April 2008 in relation to the proposed acquisition of equity interest in enterprises established in the PRC to engage in the business of environmental electroplating recycling, the Board announces that on 8 August 2008, the Company as purchaser and Mr. CHAN as vendor entered into the Sale and Purchase Agreement pursuant to which the Company acquired from Mr. CHAN the Sale Shares (representing 38% of the issued share capital of New Sinotech) and the Sale Loan (representing 38% of the Shareholder's Loans) for an aggregate consideration of HK\$31,920,000, of which HK\$5,000,000 was set off against the Deposit and the balance consideration of HK\$26,920,000 was settled by the Company's issue of the promissory notes with an aggregate principal sum of HK\$26,920,000.

On 8 August 2008, NUEL, the controlling shareholder of the Company, as purchaser also entered into another sale and purchase agreement with Mr. CHAN as the vendor pursuant to which NUEL acquired from Mr. CHAN 53% of the issued share capital of New Sinotech and 53% of the Shareholder's Loans for an aggregate consideration of HK\$44,520,000.

As the applicable percentage ratios for the Acquisition under the GEM Listing Rules are more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.08 of the GEM Listing Rules. A circular containing details of the Acquisition and other information will be despatched to the Shareholders within 21 days after publication of this announcement.

The Stock Exchange is of the view that given the Company acquired 38% interest in New Sinotech at the same time as NUEL acquired 53% in New Sinotech and NUEL has taken the leading role in the negotiation and in the absence of a control premium on acquiring a controlling stake in New Sinotech paid by NUEL, the Stock Exchange has expressed concern as to whether the Acquisition would fall into Rule 20.13(1)(b)(ii)(B) of the GEM Listing Rules and hence constitutes a connected transaction. The Stock Exchange has informed the Company that it will ask for further information as appropriate in this connection. The Company disagrees with the view of the Stock Exchange, in particular, the statement that a control premium should be paid on the acquisition of a controlling stake which the Company believes has no basis. The Company, therefore, believes that Rule 20.13(1)(b)(ii)(B) of the GEM Listing Rules is not applicable in relation the Acquisition and will respond to the enquiries of the Stock Exchange appropriately.

THE SALE AND PURCHASE AGREEMENT DATED 8 AUGUST 2008

Parties

the vendor: Mr. CHAN

the purchaser: the Company

Mr. CHAN is a Macau citizen, who is personally engaging in investments in real estate business with properties in Macau and Guangdong Province, the PRC and does not associate with other listed company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. CHAN is interested in 26,610,519 Shares, representing approximately 1.46% of the issued share capital of the Company as at the date of this announcement and none of Mr. CHAN's associates hold any Shares. Save as aforesaid, Mr. CHAN is a third party independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company. Mr. CHAN is a friend of Mr. XI Yu (the executive Director and the Chairman of the Company) and Ms. CHEUNG Siu Ling (executive Director). The Company procured for Acquisition through Mr. Chan's acquaintance with Mr. XI Yu and Ms. CHEUNG Siu Ling.

Assets acquired

Sale Shares: 1,900,000 issued shares of US\$1 each in the share capital of New Sinotech beneficially owned by Mr. CHAN, representing 38% of the issued share capital of New Sinotech

Sale Loan: the interests, rights and benefits in the shareholder's loan of HK\$133,223.44, being 38% of the outstanding interest free unsecured loans of HK\$350,588 owed by New Sinotech to Mr. CHAN as at the date of the Sale and Purchase Agreement

Consideration and payment

The aggregate consideration of HK\$31,920,000 for the acquisition of the Sale Shares and the Sale Loan was arrived at after arm's length negotiations between the Company and Mr. CHAN and represents a discount of approximately 0.05% to the sum of (i) 38% equity interest attributable to the unaudited consolidated net asset value of New Sinotech Group of approximately HK\$15,643,000 as at 31 May 2008 and (ii) 38% equity interest attributable to the revaluation surplus of the Land of approximately HK\$16,294,000.

The aggregate consideration for the Sale Shares and the Sale Loan of HK\$31,920,000 was satisfied in the following manners:

- (a) HK\$5,000,000 was set off against the Deposit; and
- (b) HK\$26,920,000 was settled by the Company's issue of four promissory notes with the aggregate principal sum of HK\$26,920,000. The respective principal amount and the payment date of each of the promissory notes are as follows:

Payment Date	Principal Amount
the day immediately after the expiry of 30 months after the Completion Date	HK\$6,730,000
the third anniversary of the Completion Date	HK\$6,730,000
the day immediately after the expiry of 42 months after the Completion Date	HK\$6,730,000
the fourth anniversary of the Completion Date	HK\$6,730,000

Completion

Completion took place on the date of the Sale and Purchase Agreement.

INFORMATION ON THE SINOTECH GROUP

New Sinotech is a company incorporated in BVI on 17 April 2008 with issued share capital of US\$5,000,000 divided into 5,000,000 shares of US\$1 each. Immediately before completion of the Acquisition and the NUEL's Acquisition, New Sinotech was wholly beneficially owned by Mr. CHAN. The major asset of New Sinotech is its interests in the entire issued share capital of Fair Time. Fair Time is a company incorporated in Hong Kong on 26 April 2007 with issued share capital of HK\$39,300,000 divided into 39,300,000 shares of HK\$1 each. The major asset of Fair Time is its 100% equity interests in the registered paid-up capital of the WFOE.

On 8 August 2008, NUEL, the controlling shareholder of the Company, as purchaser also entered into another sale and purchase agreement with Mr. CHAN as the vendor pursuant to which NUEL acquired from Mr. CHAN 53% of the issued share capital of New Sinotech and 53% of the Shareholder's Loans for an aggregate consideration of HK\$44,520,000. The Sale and Purchase Agreement and the sale and purchase agreement between NUEL and Mr. CHAN are not inter-conditional.

Following the completion of the Acquisition and the NUEL's Acquisition on 8 August 2008, New Sinotech has been owned as to 53% by NUEL, 38% by Smartech, a wholly owned subsidiary of the Company, and 9% by Mr. CHAN. Each of NUEL and the Company nominated one director to the board of directors of each of New Sinotech and Fair Time, and Mr. CHAN shall have resigned as the director of all members of New Sinotech Group within 90 days from completion of the Acquisition.

The WFOE is a wholly foreign-owned enterprise established in the PRC on 10 September 2007. The operating period of the WFOE is 50 years for the period from 10 September 2007 to 5 September 2057. The registered capital and the total investment amount of the WFOE were US\$31,000,000 (approximately HK\$241,800,000) (of which US\$5,000,000 (approximately HK\$39,000,000) was paid up) and US\$49,000,000 (approximately HK\$382,200,000) respectively. The remaining registered capital of US\$26,000,000 will be financed by the Syndicated Loan of US\$14,000,000 (approximately HK\$109,200,000) granted to Fair Time and the balance by bank loans or shareholders' loans to be advanced by the existing shareholders of New Sinotech on a pro rata basis.

Regarding the further contribution to the unpaid registered capital of the WFOE by the Company, NUEL has undertaken to the Company on 8 August 2008 that NUEL will grant shareholder's loan(s), which will be unsecured and on normal commercial terms, to the Company to enable it to fulfil its obligation to make payment of the unpaid registered capital of the WFOE proportional to its shareholding in New Sinotech, if necessary. Pursuant to Rule 20.65(4) of the GEM Listing Rules, the guarantee provided by Mr. XI Yu and his associates in favour of lenders of the Syndicated Loan and the shareholder's loan(s) to be provided by NUEL to the Company is exempt from reporting, announcement, and the independent shareholders' approval requirements under the GEM Listing Rules.

Pursuant to the certificate of approval and the latest business license of the WFOE dated 6 September 2007 and 22 November 2007 respectively, the scope of business of the WFOE is the centralized treatment of electroplating waste water; treatment and recycling utilization of electroplating residue; management of the electroplating specialised zone and leasing of industrial buildings within the specialised zone.

Based on the unaudited financial statements of the WFOE for the period from 6 September 2007 (date of establishment) to 31 May 2008, the unaudited profit after extraordinary items and before and after taxation were both approximately HK\$178,000 which was mainly attributable to interest income. The unaudited consolidated net asset value of the WFOE as at 31 May 2008 was approximately HK\$41,247,000. Financial statements of the WFOE have been prepared in accordance with the applicable Hong Kong Financial Reporting Standards.

The WFOE currently holds the Land situate at Dagangdian Upper Road North (大港甸上路北), Zhenjiang New District, Zhenjiang City, Jiangsu Province, the PRC with a site area of approximately 182,520.6 sq.m.. The Land is subject to a land use right granted for a term expiring on 20 January 2058 for industrial use. The acquisition costs of the Land after deduction of the subsidies from the local authorities was approximately RMB19,340,000 (approximately HK\$21,253,000). The estimated construction costs and professional fees for the development and completion of the project within the specialised zone will be approximately US\$29,870,000 (approximately HK\$232,986,000) which will be financed by the registered capital of the WFOE. The Land is valued by BMI Appraisals Limited, an independent professional valuer, based on the comparison approach assuming sale in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market, at the amount of RMB71,200,000 (approximately HK\$78,242,000) as at 31 May 2008.

The Land is planned to develop into an eco-electroplating specialised zone in Zhenjiang City, Jiangsu, PRC (“Eco-electroplating Specialised Zone”). It is planned that 22 single storey and 6 multi-storey electroplating industrial buildings and electroplating sewage and sludge treatment plants and facilities will be built on the Land. The proposed total gross floor area of such electroplating industrial buildings, being developed and built by phases and upon completion by December 2011 as scheduled, is 134,000 sq.m.. The construction of the project on the Land has been commenced in second quarter of 2008 and it is expected to commence leasing by mid 2009. Revenue to be derived from the Eco-electroplating Designated Zone is expected to comprise revenue from sewage treatment and recycling services, and rental and integrated services income from industrial buildings within the specialised zone.

Based on the unaudited consolidated financial statements of New Sinotech Group for the period from 17 April 2008 (date of establishment) to 31 May 2008, the unaudited profit after extraordinary items and before and after taxation were both approximately HK\$96,000 which was mainly attributable to interest income. The unaudited consolidated net asset value of New Sinotech Group as at 31 May 2008 was approximately HK\$41,165,000. Financial statements of New Sinotech Group have been prepared in accordance with the applicable Hong Kong Financial Reporting Standards.

Upon completion of the Acquisition, the investment of the Group in New Sinotech will be incorporated in the consolidated financial statements of the Group using the equity method of accounting and New Sinotech will be accounted for an associated company of the Group.

REASONS FOR THE ACQUISITION

The Group is principally engaged in (i) environmental operations; (ii) manufacture and sale of high precision molds and plastic products; (iii) investments in plastic materials dyeing operations; and (iv) property investment, development and operation of docks, depot facilities and logistics at Xinminzhou, in Zhenjiang City, Jiangsu Province, the PRC.

Mr. Sun Jia Qing, who is the director of the environmental operations of the Group and is responsible for the overall management and coordination of the environmental operations, will be appointed as director of the WFOE. Mr. Sun was the vice mayor of Zhenjiang City and Taizhou City and the director of Zhenjiang Transportation Bureau and had substantial involvement and negotiation for the corresponding district environmental protection departments. In view of the extensive experience of Mr. Sun, the Board believes that the Company has sufficient expertise to participate in the management of New Sinotech Group following completion of the Acquisition.

As mentioned in the annual report of the Company for the year ended 31 December 2007, the Group will invest resources for environmental operations and seek for feasible opportunities of diversification into growing markets. The Directors are of the opinion that the Acquisition is in line with the corporate strategy of the Group which includes expansion of the environmental operations in Jiangsu Province and provides an opportunity for the Company to further broaden its business scope into environmental operations. The Directors consider that the terms of the Agreement are of normal commercial terms and are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios for the Acquisition under the GEM Listing Rules are more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.08 of the GEM Listing Rules. A circular containing details of the Acquisition and other information will be despatched to the Shareholders within 21 days after publication of this announcement.

The Stock Exchange is of the view that given the Company acquired 38% interest in New Sinotech at the same time as NUEL acquired 53% in New Sinotech and NUEL has taken the leading role in the negotiation and in the absence of a control premium on acquiring a controlling stake in New Sinotech paid by NUEL, the Stock Exchange has expressed concern as to whether the Acquisition would fall into Rule 20.13(1)(b)(ii)(B) of the GEM Listing Rules and hence constitutes a connected transaction. The Stock Exchange has informed the Company that it will ask for further information as appropriate in this connection. The Company disagrees with the view of the Stock Exchange, in particular, the statement that a control premium should be paid on the acquisition of a controlling stake which the Company believes has no basis. The Company, therefore, believes that Rule 20.13(1)(b)(ii)(B) of the GEM Listing Rules is not applicable in relation the Acquisition and will respond to the enquiries of the Stock Exchange appropriately.

As disclosed in the announcement of the Company dated 15 October 2007, the Letter of Intent also relates to the Company's proposed acquisition of the equity interest of another wholly foreign owned enterprise, which also engages in the business of environmental electroplating recycling, in Danyang City in the PRC. The Board would like to inform the Shareholders that the Company has ceased negotiation on the project in Danyang.

TERMS USED IN THIS ANNOUNCEMENT

“Acquisition”	the acquisition of the Sale Shares and interests, rights and benefits of the Sale Loan from Mr. CHAN pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	New Universe International Group Limited, an exempt company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion Date”	the date of completion of the Acquisition, which took place upon signing of the Sale and Purchase Agreement on 8 August 2008
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Deposit”	earnest money of HK\$5,000,000 paid by the Company to Mr. CHAN pursuant to the Letter of Intent
“Directors”	directors of the Company
“Fair Time”	Fair Time International Limited, a company incorporated in Hong Kong with limited liability and wholly and beneficially owned by New Sinotech
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Land”	the parcel of land held by the WFOE situate at Dagangdian Upper Road North (大港甸上路北), Zhenjiang New District, Zhenjiang City, Jiangsu Province, the PRC with a site area of approximately 182,520.6 sq.m.
“Letter of Intent”	a letter of intent entered into between the Company and Mr. CHAN on 15 October 2007 as supplemented by a supplemental letter of intent dated 15 April 2008, details of which are set out in the announcements of the Company dated 15 October 2007 and 15 April 2008 respectively
“Macau”	The Macau Special Administrative Region of the PRC
“Mr. CHAN”	Mr. CHAN Son Neng
“New Sinotech”	New Sinotech Investments Limited, a company incorporated in BVI with limited liability and wholly and beneficially owned by Mr. CHAN as at the date of the Sale and Purchase Agreement immediately prior to completion of the Acquisition and the NUEL’s Acquisition
“New Sinotech Group”	New Sinotech, Fair Time and the WFOE
“NUEL”	New Universe Enterprises Limited, a limited liability company incorporated in the BVI and is currently beneficially interested in approximately 73.91% of the issued share capital of the Company
“NUEL’s Acquisition”	the acquisition of 53% of the entire issued share capital of New Sinotech and 53% of the Shareholder’s Loans by NUEL
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 8 August 2008 entered into between the Company and Mr. CHAN, pursuant to which the Company acquired from Mr. CHAN the Sale Shares and the interests, rights and benefits of the Sale Loan
“Sale Loan”	38% of the Shareholder’s Loan

“Sale Shares”	1,900,000 issued shares of US\$1 each in the share capital of New Sinotech beneficially owned by Mr. CHAN, representing 38% of the issued share capital of New Sinotech
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Shareholder’s Loans”	the outstanding interest free unsecured loans of HK\$350,588 advanced by Mr. CHAN to New Sinotech Group for settling its administrative expenses as at the date of the Sale and Purchase Agreement
“Smartech”	Smartech International Group Limited, a company incorporated in BVI with limited liability and wholly and directly owned by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Syndicated Loan”	term credit facilities in an aggregate amount of US\$14,000,000 granted by three banks in Hong Kong to Fair Time pursuant to a facility agreement dated 8 August 2008 in which Mr. XI Yu and his associates are the guarantors
“WFOE”	鎮江華科生態電鍍科技發展有限公司 (Zhenjiang Sinotech Eco-Electroplating Development Limited), a wholly foreign-owned enterprise established in the Zhenjiang City, Jiangsu Province, the PRC and is wholly and directly owned by Fair Time
“HK\$”	Hong Kong dollars
“RMB”	Renminbi
“US\$”	United State dollars
“sq.m.”	square metres
“%”	per cent.

For the purpose of this announcement, unless otherwise stated all amounts in RMB are translated into HK\$ at an exchange rate of RMB1: HK\$0.91, all amounts in US\$ are translated into HK\$ at an exchange rate of US\$1: HK\$7.8

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

Hong Kong, 18 August 2008

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.*

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