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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)**

### **CONTINUING CONNECTED TRANSACTIONS**

The Board announces that on 26 February 2008, Party A, an indirect 97% non-wholly owned subsidiary of the Company, and Party B entered into the Supply Contract, pursuant to which Party A agrees to purchase and Party B agrees to supply plastic materials for a term commencing from the date of the Supply Contract up to 31 December 2011.

Mr. XI, Ms. CHEUNG and Mr. SUEN are directors of the Company and Party B; and Mr. XI and Ms. CHEUNG are also the directors of NUHL (the holding company of Party B). By virtue of the common directors who represent all members of the board of directors of Party B and through their directorship in NUHL control the board of directors of Party B, Party B is hence a connected person of the Company.

As the annual cap of the Transactions exceeds 2.5% of the applicable percentage ratios and is less than HK\$10,000,000, the Transactions therefore constitute continuing connected transactions of the Company and are subject to the reporting and announcement requirements under the GEM Listing Rules.

### **THE SUPPLY CONTRACT DATED 26 FEBRUARY 2009**

#### **Parties**

*Party A:* Suzhou New Universe Smartech Tooling and Plastics Limited 蘇州新宇模具塑膠有限公司, a wholly foreign owned enterprise established in Suzhou, the PRC and an indirect 97% non-wholly owned subsidiary of the Company

*Party B:* China (HK) Chemical & Plastics Co. Limited, a company incorporated in Hong Kong with limited liability and a direct 97% non-wholly owned subsidiary of NUHL, is principally engaged in trading of plastic resins and personal computer monitor panels

Mr. XI, Ms. CHEUNG and Mr. SUEN are directors of the Company and Party B; and Mr. XI and Ms. CHEUNG are also the directors of NUHL (the holding company of Party B). By virtue of the common directors who represent all members of the board of directors of Party B and through their directorship in NUHL control the board of directors of Party B, Party B is hence a connected person of the Company.

### **Background**

Party A is principally engaged in the manufacture and sale of molds and plastic products and it consumed approximately 400 metric tonnes of plastic materials in 2008. As it is expected that Party A will increase its production capacity to process approximately 1,000 metric tones of plastic materials annually in the forthcoming years, Party A can ensure a stable and reliable supply of certain types of plastic materials required for its own production by entering into the Supply Contract.

### **Terms**

The term of the Supply Contract shall commence from the date of the Supply Contract and up to 31 December 2011 which term may be renewed for three years by agreement of the parties to the Supply Contract.

Party B guarantees to satisfy Party A's orders for plastic materials to be placed with Party B under the Supply Contract. The quantity and specification of plastic materials to be supplied by Party B to Party A will be subject to individual orders to be placed by Party A from time to time. The terms of sale of plastic materials by Part B to Party A will be no less favourable than those offered by Party B to its independent customers for purchasing similar type of plastic materials; and subject to the foregoing, Party B will offer to Party A payment term with credit period of 90 days from the shipment date of the plastic materials purchased without provision of securities.

### **Annual cap**

It is expected that Party A will purchase and Party B will supply plastic materials with an estimated annual cap amount of US\$1,280,000 (approximately HK\$9,984,000) for each of the three financial years ending 31 December 2011. Such estimate is determined with reference to the existing average unit price range of US\$1,100 per metric tone to US\$2,500 per metric tone for different grades and different types of plastic materials offered to the Group by independent suppliers and the estimated annual consumption of plastic materials of approximately 1,000 metric tonnes to be supplied under the Supply Contract for the purposes of production of Party A. During the year ended 31 December 2008, Party A purchased plastic materials from Party B with an aggregate monetary value of HK\$500,000. Save as disclosed, the Company confirmed that there was no other transaction with Party B and its associates in the past 12 months or otherwise related.

## **REASONS FOR THE TRANSACTIONS**

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.

Given the comparable unit price of plastic materials of Party B as compared to the unit price of plastic materials offered by the existing independent suppliers of Party A and the favorable payment term offered by Party B that will not be available to Party A from other independent suppliers, Party A entered into the Supply Contract. The Group also can ensure a stable and reliable supply of plastic materials required for the production of plastic products in the plant of Party A by entering into the Supply Contract. The Board (including the independent non-executive Directors) considers the terms of the Supply Contract are fair and reasonable and the Transactions are in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

Mr. XI, Ms. CHEUNG and Mr. SUEN are directors of the Company and Party B; and Mr. XI and Ms. CHEUNG are also the directors of NUHL (the holding company of Party B). By virtue of the common directors who represent all members of the board of directors of Party B and through their directorship in NUHL control the board of directors of Party B, Party B is hence a connected person (as defined in the GEM Listing Rules) of the Company.

As the annual cap of the Transactions exceeds 2.5% of the applicable percentage ratios and is less than HK\$10,000,000, the Transactions therefore constitute continuing connected transactions of the Company and are subject to the reporting and announcement requirements under the GEM Listing Rules.

## **DEFINITIONS**

“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Mr. SUEN”	Mr. SUEN Ki, a non-executive Director of the Company
“Mr. XI”	Mr. XI Yu, an executive Director and Chairman of the Company
“Ms. CHEUNG”	Mr. CHEUNG Siu Ling, an executive Director
“NUHL”	New Universe Holdings Limited, a company incorporated in Hong Kong with limited liability and is the holding company of Party B
“Party A”	Suzhou New Universe Smartech Tooling and Plastics Limited 蘇州新宇模具塑膠有限公司, a wholly foreign owned enterprise established in Suzhou, the PRC and an indirect 97% non-wholly owned subsidiary of the Company
“Party B”	China (HK) Chemical & Plastics Co. Limited, a company incorporated in Hong Kong with limited liability and a direct 97% non-wholly owned subsidiary of NUHL
“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
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply Contract”	the framework supply agreement entered into between Party A and Party B dated 26 February 2009 in relation to the supply of plastic materials to Party A by Party B

“Transactions”	the purchases of plastic materials from Party B by Party A pursuant to the Supply Contract
“HK\$”	Hong Kong dollars
“US\$”	United State dollars
“%”	per cent.

*For the purpose of this announcement, 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, 27 February 2009

*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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