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)

THE REDEMPTION DEED
AND
ISSUE OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement and circular of the Company dated 18 August 2008 and 4 September 2008 respectively.

On 31 March 2010, the Company and Mr. CHAN entered into the Redemption Deed relating to the Company's redemption of the Promissory Notes by making cash payment of US$2,584,000 to Mr. CHAN and issuing 36,000,000 new Shares to Mr. CHAN subject to the terms and conditions thereunder.

BACKGROUND

Reference is made to the announcement dated 18 August 2008 and circular dated 4 September 2008 of the Company respectively. Completion of the Acquisition took place on 8 August 2008 on which the Company issued the Promissory Notes to Mr. CHAN to satisfy part of the consideration payable by the Group to Mr. CHAN for the Acquisition. Details of the Acquisition and the Promissory Notes are set out in the Announcement.

On 31 March 2010 (after trading hours), the Company and Mr. CHAN entered into the Redemption Deed relating to the Company's redemption of the Promissory Notes subject to the terms and conditions thereunder.

REDEMPTION DEED DATED 31 MARCH 2010

Parties:

Party A: Mr. CHAN

Party B: the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Chan's interest in (i) 22,370,519 Shares, representing approximately 1.23% of the issued share capital of the Company as at the date of this announcement; and (ii) 9% of the issued share capital of two subsidiaries of the Company, Mr. CHAN is independent of and not connected with the Company or any connected persons of the Company.

Major terms of the Redemption Deed

Pursuant to the Redemption Deed, Mr. CHAN and the Company agree to settle the Promissory Notes with the aggregate principal sum of HK$26,920,000 upon Completion in the following manner:

(a) the Company shall pay US$2,584,000, in cash, to Mr. CHAN for redemption of the Promissory Notes with the principal sum of HK$20,080,000 based on an exchange rate of US$1: HK$7.77; and

(b) the Company shall allot and issue 36,000,000 Consideration Shares at an issue price of HK$0.19 per Consideration Share to Mr. CHAN for the redemption of the Promissory Notes with the remaining principal sum of HK$6,840,000.

Conditions precedent

Completion is subject to the Stock Exchange having granted to the Company the listing of, and permission to deal in, the Consideration Shares. If such condition has not been fulfilled by 30 April 2010 (or such later date as the parties may agree in writing), the Redemption Deed shall lapse and no party to the Redemption Deed shall have any claim of any nature or liabilities thereunder whatsoever against the other party to the Redemption Deed save for any antecedent breaches of the terms thereof.

Completion

Completion will take place on 18 May 2010 (or such other day as the parties to the Redemption Deed may agree in writing) after fulfilment of the condition precedent referred to above.

Lock up arrangement

Mr. CHAN irrevocably undertakes to the Company that he or the corporation to be nominated by him to take up the Consideration Shares shall not sell, transfer or otherwise dispose of any of the Consideration Shares or make offers to others for any of the foregoing transactions (save for pursuant to mortgages for commercial loan facilities) within one year from the date of issue of the Consideration Shares.

Consideration Shares

The 36,000,000 Consideration Shares, representing approximately 1.97% of the issued share capital of the Company as at the date of this announcement, will be issued under a general mandate granted by the Shareholders at the annual general meeting of the Company held on 30 April 2009. The Company may issue a maximum of 365,178,336 Shares under the said general mandate. No Shares have been issued under such general mandate up to the date of this announcement.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consideration Shares.

Issue Price

The issue price of HK$0.19 for the Consideration Shares was arrived at after arm's length negotiations between the Company and Mr. CHAN and represents:

(i) a premium of approximately 6.15% above the closing price of HK$0.179 per Share as quoted on the Stock Exchange on 31 March 2010, being the date of the Redemption Deed;

(ii) a premium of approximately 17.72% to the average closing price of approximately HK$0.1614 per Share as quoted on the Stock Exchange in the 5 trading days up to and including 31 March 2010;

(iii) a premium of approximately 28.90% to the average closing price of approximately HK$0.1474 per Share as quoted on the Stock Exchange in the 10 trading days up to and including 31 March 2010; and

(iv) a premium of approximately 20.25% above the audited equity attributable to Shareholders of the Company per Share of approximately HK$0.158 as at 31 December 2009.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The respective shareholding structures of the Company as at the date of this announcement and immediately after Completion are set out below:

Name of Shareholders	As at the date of this announcement		Immediately after Completion	
	Number of Shares	%	Number of Shares	%
NUEL	1,349,649,115	73.91	1,349,649,115	72.49
Public Shareholders:				
Mr. CHAN	22,370,519	1.23	58,370,519	3.14
Other public Shareholders	453,872,047	24.86	453,872,047	24.37
Total	**1,825,891,681**	**100.00**	**1,861,891,681**	**100.00**

REASONS FOR ENTERING INTO THE REDEMPTION DEED

The Group is principally engaged in (i) the manufacturing and sales of molds and plastic products; (ii) the operations of environmental treatment and recycling for industrial and medical wastes; and (iii) investment on plastic materials dyeing operations.

By entering into the Redemption Deed with Mr. CHAN, the Company may early settle the Promissory Notes at its face value partly by way of cash payment and partly by way of issuing the Consideration Shares. Early settlement of the Promissory Notes will reduce the gearing ratio of the Company. In the meantime, cash outflow of the Group to be applied for settlement of the debts under the Promissory Notes will be reduced through settlement by way of issuing the Consideration Shares. Given that the purchaser of the property investment and development project in the Municipality of Zhenjiang, Jiangsu Province, the PRC has remitted part of the consideration in the amount of over HK$42 million to the Group (details are set out in the announcements of the Company dated 31 December 2009 and 21 January 2010 respectively), the Company has sufficient internal financial sources to satisfy the cash payment under the Redemption Deed. Having considered the current financial position of the Group, the Directors consider it is now appropriate to settle the Promissory Notes in full.

Also, having considered that the issue price of the Consideration Shares represents (i) a premium of approximately 6.15% above the closing price of the Share of HK$0.179 as quoted on the Stock Exchange on 31 March 2010; (ii) a premium of approximately 17.72% and 28.90% above the average closing prices of the Shares for the last 5 and 10 trading days up to and including 31 March 2010 respectively; (iii) a premium of approximately 20.25% over the audited equity attributable to Shareholders per Share of approximately

HK$0.158 as at 31 December 2009; and (iv) the benefits of entering into the Settlement Deed as set out above, the Directors consider that the terms of the Redemption Deed are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

"Acquisition"	the Company's acquisition of 38% interest in the issued share capital of New Sinotech and its outstanding shareholders' loan on 8 August 2008
"Announcement"	the Company's announcement dated 18 August 2008 relating to the Acquisition
"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
"Completion"	completion of the Redemption Deed
"connected person(s)"	has the meaning ascribed thereto in the GEM Listing Rules
"Consideration Shares"	new Shares to be issued under the Redemption Deed
"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. CHAN"	Mr. CHAN Son Neng
"New Sinotech"	New Sinotech Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to 38% by the Company, as to 53% by NUEL and as to 9% by Mr. CHAN

“NUEL”	New Universe Enterprises Limited, a limited liability company incorporated in the British Virgin Islands and is currently beneficially interested in approximately 73.91% of the issued share capital of the Company
“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
“Promissory Notes”	four promissory notes (each with the face value of HK$6,730,000) issued by the Company on 8 August 2008 with the aggregate principal sum of HK$26,920,000 and maturity dates due on 9 February 2011, 8 August 2011, 9 February 2012 and 8 August 2012 respectively
“Redemption Deed”	a deed of redemption dated 31 March 2010 and entered into between the Company and Mr. CHAN relating to the Company’s redemption of the Promissory Notes
“Share(s)”	existing ordinary share(s) of HK$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK$”	Hong Kong dollars
“US$”	United State dollars
“%”	per cent.

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

Hong Kong, 31 March 2010

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:

(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.

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.