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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)

### **MAJOR DISPOSAL TRANSACTION RELATING TO DISPOSAL OF PROPERTY OWNED BY A SUBSIDIARY AND RESUMPTION OF TRADING**

On 3 July 2012 (after trading hours of the Stock Exchange), Suzhou New Universe, a 97% indirectly owned subsidiary of the Company, and the Purchaser entered into the Agreement pursuant to which Suzhou New Universe conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Property at an aggregate consideration of RMB52,000,000 (approximately HK\$63,804,000).

As one of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major disposal transaction for the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the requirements of reporting, announcement and Shareholders' approval. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. As such, the Disposal may be approved by written Shareholders' approval in accordance with Rule 19.44 of the GEM Listing Rules. NUEL, which beneficially held 1,453,657,382 Shares representing approximately 65.68% of the issued share capital of the Company as at the date hereof, has granted its written approval to the Company for the Disposal. The written shareholder's approval of NUEL will be accepted in lieu of holding a general meeting pursuant to Rule 19.44 of the GEM Listing Rules.

A circular containing, among other matters, further details of the Disposal will be dispatched to Shareholders on or before 24 August 2012, as the Company will require more than 15 business days after the publication of this announcement to finalise certain financial information to be included in the circular.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 4 July 2012 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 12 July 2012.

### **THE AGREEMENT DATED 3 JULY 2012**

On 3 July 2012 (after trading hours of the Stock Exchange), Suzhou New Universe, a 97% indirectly owned subsidiary of the Company, and the Purchaser entered into the Agreement pursuant to which Suzhou New Universe conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Property at an aggregate consideration of RMB52,000,000 (approximately HK\$63,804,000). Particulars of the Agreement are set out below:

#### **Parties**

The Vendor: Suzhou New Universe

The Purchaser: 蘇州市吳中區木瀆旅游開發區管理委員會 (Administrative Committee of Mudu Tourism Development Zone in Wuzhong District of Suzhou City\*), being a PRC authority responsible for, among other matters, management of 蘇州市吳中區木瀆旅游開發區 (Mudu Tourism Development Zone in Wuzhong District of Suzhou City\*)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

#### **Information in relation to the Property to be disposed of**

The Property to be disposed of under the Agreement is situated at 蘇州市吳中區木瀆鎮石膏路1100號 (No. 1100 Shixu Road, Mudu Town, Wuzhong District, Suzhou City\*), consists of the land, factory buildings and ancillary buildings, structure and other facilities of Suzhou New Universe. Suzhou New Universe will progressively close down certain production lines of manufacturing molds and plastic products after the entering into of the Agreement.

Vacant possession of the Property will be delivered to the Purchaser on or before 31 December 2012.

### **Consideration and the payment terms**

The Consideration under the Agreement is RMB52,000,000 (approximately HK\$63,804,000) comprising compensation for buildings in the amount of RMB17,596,203 (approximately HK\$21,591,000), compensation for loss of land use rights in the amount of RMB11,197,234 (approximately HK\$13,739,000), compensation for ancillary buildings and structures in the amount of RMB320,393 (approximately HK\$393,000) and compensation for ancillary facilities and other properties in the amount of RMB22,886,170 (approximately HK\$28,081,000).

The Consideration shall be payable to Suzhou New Universe in cash in the following manner:

- (a) within one month after the execution of the Agreement, 10% of the Consideration shall be paid to Suzhou New Universe;
- (b) Suzhou New Universe shall from 30 November 2012 disassemble and remove the large equipment and deliver to the Purchaser the title certificates of the Property, shop drawings plan, pipeline drawings and other information and documents required by the Purchaser, and within seven working days after completion of the aforesaid, 20% of the Consideration shall be paid to Suzhou New Universe;
- (c) Suzhou New Universe shall, from 31 December 2012, according to the standard of delivery deliver the Property to the Purchaser for inspection and acceptance, and within seven working days after completion of the aforesaid, 30% of the Consideration shall be paid to Suzhou New Universe; and
- (d) Suzhou New Universe shall complete the disassemble and removal of all property and equipment, clearance of people and deliver to the Purchaser the keys to the Property on 31 December 2012, and deliver all information and documents required by the Purchaser, and within one year from the completion of the aforesaid, the remaining 40% of the Consideration shall be paid to Suzhou New Universe. If the Purchaser is not able to fulfil the payment obligation of the remaining 40% of the Consideration within the said one year period, an interest of 10% per annum shall be imposed on the outstanding Consideration.

If the Purchaser fails to pay the Consideration in accordance with the above payment schedule, the Purchaser shall pay to Suzhou New Universe a monthly penalty of 5% of the outstanding payment from the scheduled date of payment of Consideration. If the Purchaser is still not able to make payment in accordance with the above payment schedule after three months, in addition to the 15% accumulated penalty payable by the Purchaser, Suzhou New Universe shall have the right to terminate the Agreement and require compensation from the Purchaser.

The Consideration for the Property was determined after arm's length negotiation between Suzhou New Universe and the Purchaser on normal commercial terms and with reference to the aggregate market value of the Property.

### **Condition**

The Agreement is conditional upon the parties' supervising authorities (including the shareholder of Suzhou New Universe) approving the Agreement and the transactions contemplated thereunder.

### **REASONS FOR THE DISPOSAL**

The Group is principally engaged in (i) the environmental treatment of industrial and medical wastes; (ii) the environmental treatment and recycling of industrial sewage and sludge in an eco-plating specialized zone; (iii) the manufacture and sale of molds and plastic injection products; (iv) trading of plastic materials; and (v) the investments in plastic materials dyeing operations, in the PRC.

Suzhou New Universe is principally engaged in the manufacturing and sale of molds and plastic products, and trading of plastic materials. Suzhou New Universe decided to sell the Property due to the change in state policy of the PRC, which changed the use of land comprised of in the Property to non-industrial use, and the PRC government has agreed to repurchase the Property via administrative means and provide compensation to Suzhou New Universe.

As such, the Directors consider that the terms and conditions of the Agreement are fair and reasonable and are on normal commercial terms and that it is in the interest of the Company and the Shareholders as a whole.

After the Disposal, the Company intends to reduce the scale of operations of Suzhou New Universe, and progressively dispose of all remaining property, plant and equipment of Suzhou New Universe to independent third party(ies) by the end of 2013.

### **USE OF PROCEEDS**

The net proceeds of the Disposal in the amount of approximately HK\$41,700,000, of which approximately HK\$30,000,000 will be used for development of the environmental protection related business of the Group and the remaining balance will be used as general working capital of the Group.

### **FINANCIAL EFFECTS OF THE DISPOSAL**

The Group expects to recognize a net gain from the Disposal of approximately HK\$23,699,000, which is calculated by reference to the carrying amount of the Property (together with other ancillary property, plant and equipment related) as stated in the unaudited management accounts of Suzhou New Universe as at 31 May 2012 in an aggregate of RMB22,385,000 (approximately HK\$27,467,000) and after deduction of taxes and direct transaction costs.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major disposal transaction for the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the requirements of reporting, announcement and Shareholders' approval.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. As such, the Disposal may be approved by written Shareholders' approval in accordance with Rule 19.44 of the GEM Listing Rules. NUEL, which beneficially held 1,453,657,382 Shares representing approximately 65.68% of the issued share capital of the Company as at the date hereof, has granted its written approval to the Company for the Disposal. The written shareholder's approval of NUEL will be accepted in lieu of holding a general meeting pursuant to Rule 19.44 of the GEM Listing Rules.

A circular containing, among other matters, further details of the Disposal will be dispatched to the Shareholders on or before 24 August 2012, as the Company will require more than 15 business days after the publication of this announcement to finalise certain financial information to be included in the circular.

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 4 July 2012 pending release of this announcement. Application has been made by the Company for resumption of trading in the Shares from 9:00 a.m. on 12 July 2012.

## **DEFINITIONS**

The following terms shall have the following meanings in this announcement unless the context otherwise requires:

“Agreement”	the 房地產(物業)收購補償協議書 (real estate (property) acquisition compensation agreement*) in relation to the sale and purchase of the Property entered into between Suzhou New Universe and the Purchaser on 3 July 2012;
“Board”	the board of Directors;
“Company”	New Universe International Group Limited (新宇國際實業(集團)有限公司), a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on GEM;

“Consideration”	the consideration under the Agreement in the amount of RMB52,000,000 (equivalent to approximately HK\$63,804,000);
“Director(s)”	director(s) of the Company;
“Disposal”	the transaction(s) contemplated under the Agreement;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“NUEL”	New Universe Enterprises Limited is the beneficial owner of 1,453,657,382 Shares. New Universe Enterprises Limited is beneficially owned as to 83.66% by Mr. XI Yu, an executive Director and the Chairman of the Company;
“PRC”	The People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Property”	<p>the property to be disposed of under the Agreement, situated at 蘇州市吳中區木瀆鎮石膏路1100號 (No. 1100 Shixu Road, Mudu Town, Wuzhong District, Suzhou City*), comprises of the following:</p> <ul style="list-style-type: none"> <li>(i) building with a gross floor area of 11,963.85 sq.m., title certificate number 02003802;</li> <li>(ii) state-owned land use right certificate number 0630071 with a land area of 33,325.10 sq.m.;</li> <li>(iii) ancillary buildings and structures of a gross floor area of 1,958.70 sq.m.; and</li> <li>(iv) other ancillary property stipulated in the Agreement.</li> </ul>

“Purchaser”	蘇州市吳中區木瀆旅游開發區管理委員會 (Administrative Committee of Mudu Tourism Development Zone in Wuzhong District of Suzhou City*);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Suzhou New Universe”	蘇州新宇模具塑膠有限公司 (Suzhou New Universe Smartech Tooling and Plastics Limited), a wholly foreign owned enterprise established in the PRC and a 97% indirectly owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

*For illustrative purpose, in this announcement, RMB1.00 = HK\$1.227. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

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

Hong Kong, 11 July 2012

*As at the date of this announcement, the Board comprises four executive Directors: Mr. XI Yu (Chairman), Mr. SONG Yuqing (Chief Executive Officer and Vice Chairman), Ms. CHEUNG Siu Ling and Mr. HON Wa Fai; one non-executive Director: Mr. SUEN Ki; and four independent non-executive Directors: Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael, Mr. HO Yau Hong, Alfred and Mr. LEE Kwan Hung.*

*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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) “Latest Company Announcements” page for at least 7 days from the day of its posting and on the Company’s website at [www.nuigl.com](http://www.nuigl.com).*

*\* For identification purpose only*