
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the New Universe International Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSALS FOR

- (1) RE-ELECTION OF DIRECTORS;**
- (2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**
- (3) ADOPTION OF NEW SHARE OPTION SCHEME;**
- AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of New Universe International Group Limited to be held at Room 2109, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 5 May 2015 at 11:00 a.m. is set out in Appendix IV to this circular. A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of New Universe International Group Limited in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of the Annual General Meeting, or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

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

* For identification purposes only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adoption Date”	the date on which the proposed New Share Option Scheme is conditionally adopted by the Shareholders at the Annual General Meeting
“Annual General Meeting”	the annual general meeting of the Company to be convened and held on Tuesday, 5 May 2015 at 11:00 a.m. at Room 2109, 21/F., Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong or any adjournment thereof, the notice of which is set out in Appendix IV to this circular
“Articles of Association”	the articles of association of the Company
“associate(s)”	the meaning ascribed to it/them under the GEM Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	New Universe International Group Limited 新宇國際實業(集團)有限公司*, a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the GEM
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	any employee of or any person who has accepted an offer of employment from (whether full time or part time employee, including any executive directors but not any non-executive director) the Company, its Subsidiaries and any Invested Entity
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, or the personal representative of such person
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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DEFINITIONS

“Invested Entity”	any entity in which the Group holds any equity interest
“Latest Practicable Date”	24 March 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company and to be approved by the Shareholders at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting as set out in Appendix IV to this circular
“NUEL”	New Universe Enterprises Limited, a limited liability company incorporated in the British Virgin Islands and the only controlling shareholder of the Company
“Offer”	the offer of the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Old Share Option Scheme”	the share option scheme adopted by the Company on 10 December 2003
“Option(s)”	Option(s) to subscribe for Shares granted pursuant to the terms of the New Share Option Scheme
“Option Period”	in respect of any particular Option, such period as the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the date of grant of the Option and the Board may provide restrictions on the exercise of an Option during the period an Option may be exercised
“Participant”	any person belonging to any of the following classes of participants: (a) any Eligible Employee; (b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of the Group or any Invested Entity;

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	(e) any person or entity acting in their capacities as advisers or consultants to the Group or any Invested Entity; and
	(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity from time to time determined by the Directors having contributed or may contribute to the development and growth of the Group or any Invested Entity
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of approving the resolution as referred to the Ordinary Resolution Number 5 and as extended by Resolution Number 7 as set in the Notice of Annual General Meeting
“Share Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of approving the resolution as referred to the pursuant to Ordinary Resolution Number 6 as set out in the Notice of Annual General Meeting
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly

DEFINITIONS

“Takeovers Code”	The Code on Takeovers and Mergers and Share Repurchases issued by the Hong Kong Securities and Futures Commission, as amended from time to time
“Trading Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

SONG Yuqing (*Chairman and Chief Executive Officer*)
CHEUNG Siu Ling
HON Wa Fai

Non-Executive Director:

SUEN Ki

Independent Non-Executive Directors:

CHAN Yan Cheong
YUEN Kim Hung, Michael
HO Yau Hong, Alfred

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and

principal place of business:

Rooms 2110-12, 21st Floor
Telford House
16 Wang Hoi Road
Kowloon Bay
Kowloon
Hong Kong

31 March 2015

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(3) ADOPTION OF NEW SHARE OPTION SCHEME;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the Annual General Meeting for the re-election of Directors who are due to retire and re-election of independent non-executive directors of the Company at the Annual General Meeting, the grant of the Share Issue Mandate and the Share Repurchase Mandate to the Directors and the adoption of the New Share Option Scheme.

* For identification purposes only

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprises 7 members, namely:

the executive Directors:

- Mr. SONG Yuqing
- Ms. CHEUNG Siu Ling
- Mr. HON Wa Fai

the non-executive Director:

- Mr. SUEN Ki

and the independent non-executive Directors:

- Dr. CHAN Yan Cheong
- Mr. YUEN Kim Hung, Michael
- Mr. HO Yau Hong, Alfred

In accordance with article 87 of the Articles of Association, Mr. SONG Yuqing, Mr. SUEN Ki, Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred have served as independent non-executive Directors for more than 9 years since 1 February 2000, 24 April 2002 and 30 September 2004, respectively. In order to comply with provision A.4.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules, the proposed nomination of each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred for re-election as an independent non-executive Director will be subject to a separate resolution to be approved by the Shareholders in the forthcoming Annual General Meeting.

Based on the annual written confirmation given by each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred in accordance with Rule 5.09 of the GEM Listing Rules and the undertaking given to the Company by each of them as to their respective continuing independency, the Board believes that Dr. CHAN Yan Cheong being an academic expert in electronic engineering, and Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred each being an accounting professional will bring in strong expertise by contributing impartial view and yet making independent judgment on all issues to be discussed at the Board meetings.

LETTER FROM THE BOARD

Details of the abovementioned Directors, namely, Mr. SONG Yuqing, Mr. SUEN Ki, Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred, are set out in Appendix II to this circular. At the Annual General Meeting, separate Ordinary Resolutions will be proposed to approve the re-election of Mr. SONG Yuqing, Mr. SUEN Ki, as Directors and further appointment each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred as independent non-executive Director.

3. PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandates to issue Shares and to repurchase Shares will expire at the conclusion of the forthcoming Annual General Meeting. The Directors intend to put forward to the Shareholders ordinary resolutions at the Annual General Meeting to grant the Directors general and unconditional:

- (i) Share Issue Mandate, to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the Annual General Meeting, representing a total amount of up to 551,139,403 new Shares based on 2,755,697,018 Shares in issue as at the Latest Practicable Date once the mandate is granted, assuming no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting;
- (ii) Share Repurchase Mandate, to repurchase such number of Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed ordinary resolution at the Annual General Meeting, representing a total amount of up to 275,569,701 Shares based on 2,755,697,018 Shares in issue as at the Latest Practicable Date once the mandate is granted, assuming no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting; and
- (iii) authority to extend the limit under the Share Issue Mandate, if such is being granted to the Directors, by the nominal amount of the number of Shares that may be repurchased by the Company pursuant to the Share Repurchase Mandate.

Pursuant to Rule 13.08 of the GEM Listing Rules, an explanatory statement containing all relevant information relating to the proposed Share Repurchase Mandate is set out in the Appendix I to this circular. The information in the explanatory statement is to provide the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

LETTER FROM THE BOARD

4. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

Old Share Option Scheme

The Old Share Option Scheme was adopted on 10 December 2003 and has expired on 9 December 2013. As at the Latest Practicable Date, no Option was granted or is outstanding under the Old Share Option Scheme. The Company currently does not have any subsisting share option scheme as at the Latest Practicable Date.

New Share Option Scheme

As the Old Share Option Scheme expired on 9 December 2013 and for the reasons set out in the section headed “Reasons for Adopting the New Share Option Scheme” below, the Directors propose to adopt the New Share Option Scheme and the principal terms of which are set out in Appendix III to this circular. A copy of the rules of New Share Option Scheme is available for inspection at the principal place of business of the Company at Room 2109, 21st Floor, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours for a 14-day period immediately preceding the Annual General Meeting.

The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme by the Shareholders of the Annual General Meeting (the “**Scheme Mandate Limit**”) unless the Company obtains an approval by the Shareholders at its general meeting to refresh the Scheme Mandate Limit. Further, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time. Based on the issued share capital of 2,755,697,018 Shares as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased by the Company between the period from the Latest Practicable Date to the date of the Annual General Meeting, the Scheme Mandate Limit will be 275,569,701 Shares.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolution approving the adoption of the New Share Option Scheme to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

Conditions of the Adoption of the New Share Option Scheme

The New Share Option Scheme shall take effect conditional upon:

- (i) the passing of the resolution by the Shareholders to approve and adopt the New Share Option Scheme and to authorise the Board to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and the permission to deal in, any Shares to be issued pursuant to the exercise of any Options in accordance with the terms and conditions of the New Share Option Scheme.

Application for Listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which to be issued pursuant to the exercise of the Options.

Reasons for Adopting the New Share Option Scheme

The purpose of the New Share Option Scheme is to reward Participants who have contributed to the Group and/or to provide incentives to Participants to work towards the success of the Company. The Directors considers that New Share Option Scheme will provide the Participants with the opportunity to participate in the growth of the Group.

Under the rules of the New Share Option Scheme, the Board has discretion to set a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto. This discretion allows the Board to provide incentive to a Participant to remain as the Participant and thereby enable the Group to continue to benefit from the services and contributions of such Participant. This discretion, coupled with the power of the Board to impose any other restrictions as it considers appropriate before any Option can be exercised, enable the Group to provide incentives to the Participants to use their best endeavours in assisting the growth and development of the Group. Although the New Share Option Scheme does not provide for the granting of Options with rights to subscribe for Shares at a discount to the traded prices of the Shares on the Stock Exchange, the Directors are of the view that the flexibility given to the Board in granting Options to Participants and to impose minimum period for which the Options have to be held and other conditions that have to be achieved before the Options can be exercised, will place the Group in an advantageous position to attract human resources that are valuable to the growth and development of the Group. Therefore, the Board considers that the terms and conditions of the New Share Option Scheme will serve to achieve the purposes of the New Share Option Scheme as stated hereinabove.

LETTER FROM THE BOARD

Value of all Options that can be Granted under the New Share Option Scheme

The Directors consider it inappropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date because a number of variables which are crucial for the calculation of the Options' value cannot be determined. Such variables include the exercise price, exercise period, any conditions which the Options are subject to and other relevant variables. The Directors believe that any statement regarding the value of the Options based on a large number of assumptions will not be meaningful and may be misleading to the Shareholders.

5. ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting is set out in Appendix IV to this circular.

At the Annual General Meeting, resolutions will be proposed, among the others, the re-election of retiring Directors, the nomination of independent non-executive Directors for re-election, the granting of the Share Issue Mandate and the Share Repurchase Mandate, the extension of the Share Issue Mandate and the adoption of the New Share Option Scheme.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the GEM website (www.hkgem.com) and Company's website (www.nuigl.com). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or certified copy of that power or authority, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the Annual General Meeting, or any adjournment thereof, should the Shareholder so wish and in such event, the proxy shall be deemed to be revoked.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll, and the issuer must announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules. Therefore all resolutions proposed at the Annual General Meeting shall be voted by poll, and the results of which will be announced accordingly.

6. RESPONSIBILITY STATEMENT

This circular, 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 circular is accurate and complete in all material respects and not misleading;

LETTER FROM THE BOARD

- (ii) there are no other matters the omission of which would make any statement in this circular misleading; and
- (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

7. RECOMMENDATION

The Directors are of the opinion that, the re-election of the retiring Directors and independent non-executive Directors, the granting of the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate to the Directors and the adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders as a whole, and therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the Notice of the Annual General Meeting in Appendix IV to this circular.

Yours faithfully
By order of the Board
New Universe International Group Limited
SONG Yuqing
Chairman

This appendix serves as an explanatory statement required by the GEM Listing Rules to provide the requisite information to enable Shareholders to make an informed decision whether to vote for or against of the Share Repurchase Mandate.

1. EXERCISE OF THE SHARE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised of 2,755,697,018 Shares. Exercise in full of the Share Repurchase Mandate, if approved, on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Share Repurchase Mandate, the Company would be allowed to repurchase up to 275,569,701 Shares during the period from the date on which such resolution is passed until the date of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Share Repurchase Mandate by ordinary resolution of the Shareholders of the Company in general meeting, whichever occurs first, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and its Shareholders that the Directors are given a general authority from the Shareholders to enable the Company to repurchase Shares in the market at any appropriate time. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value of the Company per Share and/or its earnings per Share and will only be made when and to the extent that the Directors believe that such repurchases will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may apply only funds legally available for such purposes in accordance with the Company's memorandum and Articles of Association, the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company may not repurchase Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. EFFECT ON EXERCISE OF THE SHARE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements of the Company for the year ended 31 December 2014) in the event that the Share Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital position of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PARTIES

As at the Latest Practicable Date, to the best of the knowledge of the Directors having made all reasonable enquiries, none of the Directors nor any of their respective have a present intention, in the event that the proposed Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, none of the connected persons (as defined in the GEM Listing Rules) of the Company have notified the Company that any of them have a present intention to sell any shares to the Company in the event that the Company is authorised to make purchase of its Shares under the Share Repurchase Mandate.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

7. THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a share repurchase pursuant to the Share Repurchase Mandate, such increase will be treated as an acquisition of for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code) could, depending on the level of increase of the shareholding, obtain or consolidate control of the Company and thereby becomes obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar the Directors are aware of, the only controlling Shareholder was NUEL, which is beneficially interested in 1,871,823,656 Shares (representing approximately 67.92% of the issued share capital of the Company). Based on such shareholding, and in the event that the Share Repurchase Mandate was exercised in full, the percentage shareholding of NUEL would be increased to approximately 75.47%. On the basis of the aforementioned possible increase in shareholding of NUEL, the Directors are not aware of any consequences of such repurchase of Shares that would result in a Shareholder, or a group of Shareholders acting in concert, becoming obliged to make mandatory offer under Rule 26 of the Takeovers Code if the Share Repurchase Mandate were exercised in full.

As at the Latest Practicable Date, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or a group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. As the exercise of the Share Repurchase Mandate in full would result in insufficient public float of the Company, the Directors have no intention to exercise the Share Repurchase Mandate to such an extent that results in a public shareholding of less than the minimum public float requirement of 25% of the total issued share capital of the Company.

8. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the GEM of the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the GEM of the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2014		
March	0.235	0.170
April	0.265	0.179
May	0.190	0.166
June	0.216	0.171
July	0.250	0.185
August	0.280	0.119
September	0.240	0.187
October	0.250	0.219
November	0.380	0.228
December	0.410	0.295
2015		
January	0.330	0.255
February	0.340	0.285
March (up to the Latest Practicable Date)	0.370	0.300

The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting:

1. Mr. SONG Yuqing (“Mr. SONG”)

Mr. SONG, aged 66, was appointed as vice-chairman of the Board and non-executive Director on 15 June 2010, and was re-designated as executive Director and the chief executive officer of the Company on 12 June 2012. On 18 August 2014, Mr. SONG was appointed the chairman of the Board and the chairman of the executive committee of the Company. He leads the Board for corporate strategic planning and long-term development of the Group. He is responsible for formulating business strategies and driving the Group toward further development. Mr. SONG was formerly the vice chairman and non-executive director of Sinofert Holdings Limited, a listed company in Hong Kong. He has substantial experience in the chemical industry and real estate development, and has substantial experience in corporate and strategic planning functions.

Mr. SONG has a Director’s service agreement with the Company and is subject to retirement by rotation in accordance with the Articles of Association of the Company. Mr. SONG is currently entitled to receive emoluments in aggregate of approximately HK\$617,000 per annum.

Save as disclosed therein, Mr. SONG has not held any directorship of other listed public companies in the last 3 years. Mr. SONG has neither any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO nor any relationship with other Directors, senior management, substantial Shareholders, or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Save as disclosed herein, there is no information of Mr. SONG to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders.

2. Mr. SUEN Ki (“Mr. SUEN”)

Mr. SUEN, aged 61, was appointed as non-executive Director of the Company on 28 September 2006. Mr. SUEN is responsible for advising the Board on strategies and policies of the Group. Mr. SUEN has extensive experience in plastics industry in Hong Kong, Taiwan and the Mainland China. Mr. SUEN holds a Bachelor’s degree of Arts from the Department of Foreign Languages and Literature of the National Taiwan University in Taiwan. Mr. SUEN is a director and a shareholder of the Company’s controlling shareholders, NUEL. He is also the managing director of China (HK) Chemical & Plastics Company Limited.

As at 31 December 2014, Mr. SUEN has interests in the Shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO follows:

Associated corporation

Long positions in issued shares of NUEL

Name of Director	Number of ordinary shares of US\$1.00 each			Total number of shares held	% of total shares in issue
	Personal/beneficial interests	Interests of children or spouse	Interests of controlled corporation		
Mr. SUEN Ki	840	–	–	840	4.2

The Company has signed a renewed letter of appointment with Mr. SUEN on 15 January 2015 for tenure of 24 months from 1 February 2015 to 31 January 2017. The letter of appointment signed by Mr. SUEN with the Company is subject to the termination by either party giving not less than 3 months' prior written notice and also subject to retirement by rotation and re-election in accordance with the Company's Articles of Association.

Save as disclosed herein, Mr. SUEN does not hold any other position of the Company or any of its subsidiaries, and has not held any directorship of other listed public companies in the last 3 years. Save as disclosed herein, Mr. SUEN has neither any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO nor any relationship with other Directors, senior management, substantial Shareholders, or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Save as disclosed herein, there is no information of Mr. SUEN to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders.

3. Dr. CHAN Yan Cheong (“Dr. CHAN”)

Dr. CHAN, aged 61, was appointed as independent non-executive Director on 1 February 2000. Dr. CHAN is currently a Chair Professor of Electronic Engineering, and director of the EPA Centre in the Department of Electronic Engineering of City University of Hong Kong. Dr. CHAN holds Bachelor of Science degree in Electrical Engineering, Master of Science degree in Materials Science, and a Doctor of Philosophy degree in Electrical Engineering, from Imperial College of Science and Technology, University of London. He also awarded a Master of Business Administration degree from the University of Hong Kong. Dr. CHAN is a fellow member of each of the Institute of Electrical and Electronic Engineers, INC (USA) and Hong Kong Institution of Engineers, and a member of the Institution of Engineering & Technology (UK). His current research interests include on researches on Restriction of Hazardous Substances and Waste, Electrical and Electronic Equipment research, green electronics manufacturing, failure analysis, and reliability engineering.

The Company has signed a renewed letter of appointment with Dr. CHAN on 3 February 2015 for a tenure of 24 months from 1 April 2015 to 31 March 2017. The letter of appointment signed by Dr. CHAN with the Company is subject to the termination by either party giving not less than 3 months' prior written notice and also subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. Dr. CHAN has already given his annual confirmation of his independence to the Company under Rule 5.09 of the GEM Listing Rules and has undertaken in writing to the Board that he shall continue to be independent to the Company. Dr. CHAN is currently entitled to receive a Director's fee of HK\$132,000 per annum, which is determined with reference to the duties and responsibilities of independent non-executive Directors as reviewed by the remuneration committee and confirmed by the executive committee of the Company and the prevailing market condition.

Dr. CHAN is currently the chairman of the Company's audit committee, and a member of the nomination committee and remuneration committee of the Company.

Save as disclosed therein, Dr. CHAN does not hold any other position of the Company or any of its subsidiaries, and has not held any directorship of other listed public companies in the last 3 years. Dr. CHAN has neither any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO nor any relationship with other Directors, senior management, substantial Shareholders, or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Save as disclosed herein, there is no information of Dr. CHAN to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders.

4. Mr. YUEN Kim Hung, Michael ("Mr. YUEN")

Mr. YUEN, aged 53 was appointed as independent non-executive Director on 24 April 2002 and was nominated and appointed as the chairman of nomination committee of the Board on 19 March 2012. Mr. YUEN is currently practising in Hong Kong with his own accounting firm. Mr. YUEN holds a professional diploma in accountancy from Hong Kong Polytechnic University. He is a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants, a certified general accountant of Canadian Certified General Accountants Association of Hong Kong, and a fellow member of Association of Chartered Certified Accountants. Mr. YUEN is currently also the independent non-executive director of other listed companies in Hong Kong, Prosperity International Holdings (H.K.) Limited and Steed Oriental (Holdings) Company Limited. He has substantial experience in accounting, taxation and auditing. On 1 October 2014, Mr. YUEN has terminated his office as independent non-executive director of Prosperity Minerals Holding Limited, of which the shares had been cancelled from trading on AIM of the London Stock Exchange since 2 October 2013.

The Company has signed a renewed letter of appointment with Mr. YUEN on 15 January 2015 for a tenure of 2 years commenced on 1 February 2015. The letter of appointment signed by Mr. YUEN with the Company is subject to the termination by either party giving not less than 3 months' prior written notice and also subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. Mr. YUEN has already given his annual confirmation of his independence to the Company under Rule 5.09 of the GEM Listing Rules and has undertaken in writing to the Board that he shall continue to be independent to the Company. Mr. YUEN is currently entitled to receive a Director's fee of HK\$132,000 per annum, which is determined with reference to the duties and responsibilities of independent non-executive Directors as reviewed by the remuneration committee and confirmed by the executive committee of the Company and the prevailing market condition.

Given the accounting professional qualifications and related expertise in accountancy, taxation and financial management possessed by Mr. YUEN, he is currently the chairman of the Company's nomination committee, and a member of the audit committee and remuneration committee of the Company.

Save as disclosed therein, Mr. YUEN does not hold any other position of the Company or any of its subsidiaries, and has not held any directorship of other listed public companies in the last 3 years. Mr. YUEN has neither any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO nor any relationship with other Directors, senior management, substantial Shareholders, or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Save as disclosed herein, there is no information of Mr. YUEN to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders.

5. Mr. HO Yau Hong, Alfred ("Mr. HO")

Mr. HO, aged 57 was appointed as independent non-executive Director of the Company on 30 September 2004 and was nominated and appointed as the chairman of the remuneration committee of the Board on 19 March 2012. Mr. HO is currently practising in Hong Kong with his own accounting firm. He is a lecturer of Advanced Hong Kong Taxation and Hong Kong Taxation at the Hong Kong Shue Yan University. He is currently a facilitator in the Qualification Program of the Hong Kong Institute of Certified Public Accountants in accounting, auditing and taxation. He was formerly a part-time professor in accounting and auditing at Algonquin College, Ottawa, Canada, and was a part-time tutor in taxation at the Open University of Hong Kong. Mr. HO holds a Bachelor of Commerce (Honours) degree from University of Windsor, Windsor, Canada. Mr. HO is a Canadian chartered accountant, a practising fellow certified public accountant of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Taxation Institute of Hong Kong. Mr. HO was formerly a finance director of Sinosoft Technology PLC., a company previously listed in the London Stock Exchange. Mr. HO has substantial experience in accounting, auditing and taxation.

The Company has signed a renewed letter of appointment with Mr. HO on 15 January 2015 for a tenure of 2 years commenced on 1 February 2015. The letter of appointment signed by Mr. HO with the Company is subject to the termination by either party giving not less than 3 months' prior written notice and also subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. Mr. HO has already given his annual confirmation of his independence to the Company under Rule 5.09 of the GEM Listing Rules. Mr. HO is currently entitled to receive a Director's fee of HK\$132,000 per annum, which is determined with reference to the duties and responsibilities of independent non-executive Directors as reviewed by the remuneration committee and confirmed by the executive committee of the Company and the prevailing market condition.

Given the accounting professional qualifications and related expertise in taxation and accountancy possessed by Mr. HO, he is currently the chairman of the Company's remuneration committee, and a member of the audit committee and nomination committee of the Company.

Save as disclosed therein, Mr. HO does not hold any other position of the Company or any of its subsidiaries, and has not held any directorship of other listed public companies in the last 3 years. Mr. HO has neither any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO nor any relationship with other Directors, senior management, substantial Shareholders, or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Save as disclosed herein, there is no information of Mr. HO to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders.

Set out below is a summary of the principal terms of the New Share Option Scheme to provide sufficient information to the Shareholders for their consideration. This summary does not form part of, nor is it intended to be, part of these share option scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

1. Purpose

The purpose of the New Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

2. Conditions and Duration

2.1 The New Share Option Scheme shall take effect conditional upon:

- (i) the passing of the resolution by the Shareholders to approve and adopt the New Share Option Scheme and to authorise the Board to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and the permission to deal in, any Shares to be issued pursuant to the exercise of any Options in accordance with the terms and conditions of the New Share Option Scheme.

2.2 Subject to paragraph 13 below, the New Share Option Scheme shall be valid and effective for the period of 10 years commencing from the Adoption Date, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects.

3. Grant of Options

3.1 Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time and from time to time within the period of 10 years after the Adoption Date to offer to grant to any Participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price.

3.2 An offer of the grant of an Option shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant concerned for a period of 28 days from the date on which the Option was offered, provided that no such offer shall be open for acceptance after the expiry or termination of the New Share Option Scheme.

- 3.3 An Option shall be deemed to have been granted and accepted when the duplicate letter comprising acceptance of the Option duly signed by the Grantee with the number of Shares in respect of which the offer of grant is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$10.00 by way of consideration for the grant thereof is received by the Company.

4. Subscription Price

- 4.1 The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option but in any case the Subscription Price shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a Trading Day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Trading Days immediately preceding the date of grant; or (iii) the nominal value of a Share.

5. Maximum Number of Shares Available For Subscription

- 5.1 The maximum number of Shares which may be issued upon exercise of all Options which may be granted under the New Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”) unless the Company obtains a refresh approval from its shareholders pursuant to the paragraph 5.2 below. Option lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company under which such Options are granted, as the case may be, shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- 5.2 The Company may seek approval of its Shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue at the date of the approval of the renewal by the Shareholders. Upon any such renewal, all Options granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limit has been exceeded. A circular regarding the proposed renewal of the Scheme Mandate Limit must be sent to the Shareholders in a manner complying with the relevant provisions of, and containing the matters specified in, Chapter 23 of the GEM Listing Rules.
- 5.3 The Company may grant Options to Participant(s) beyond the Scheme Mandate Limit if the grant of such Options is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the identified Participants, the number and terms of the Options to be granted, the purpose of granting Options to the identified Participants, and an explanation as to how these Options serve such purpose.

- 5.4 Notwithstanding the above paragraphs 5.1 to 5.3, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company (or the Subsidiary) shall not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under any share option schemes of the Company (or the Subsidiary) if this will result in the limit being exceeded.

6. Restrictions on Grant of Options

- 6.1 No Participant shall be granted an Option if the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including both exercised and outstanding Options) in 12-month period up to and including the date of grant to such Participant would exceed 1% of the Shares for the time being in issue unless the proposed grant has been approved by the Shareholders in general meeting with the proposed Grantee and his associates abstaining from voting. A circular must be sent to the Shareholders of the Company disclosing the identity of the proposed Grantee, the number and terms of the Options granted and to be granted. The number and terms of Options to be granted to such proposed Grantee must be fixed before the shareholders approval and the date of meeting of the Board for proposing such further grant should be taken as the date for the purpose of calculating the Subscription Price.
- 6.2 Any grant of Options to any director, chief executive or substantial shareholder (as such term as defined in the GEM Listing Rules) of the Company, or any of their respective associates under the New Share Option Scheme or any other share option schemes of the Company or any of its Subsidiaries shall be subject to the prior approval of the independent non-executive directors of the Company (excluding independent non-executive directors who are the proposed Grantees of the Options in question).
- 6.3 Where any grant of Options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant:
- (a) representing in aggregate over 0.1% of the Shares in issue; and
 - (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options shall be subject to prior approval by resolution of the Shareholders. The Company shall send a circular to the Shareholders in accordance with the GEM Listing Rules and all connected persons of the Company shall abstain from voting in favour of the resolution at such general meeting of the Shareholders.

- 6.4 No offer of grant of Options shall be made after any inside information has come to the knowledge of the Company until such inside information has been published pursuant to the requirements of the GEM Listing Rules. In particular, during the period of one month immediately before the earlier of:
- (a) the date of the board meeting (as such is first notified to the Stock Exchange under the GEM Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
 - (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules),
- and ending on the date of the results announcement, no Option may be granted. For the avoidance of doubt, the period during which no Option may be granted will cover any period of delay in the publication of a results announcement.
- 6.5 There is no performance target that must be achieved before the Options can be exercised, unless otherwise determined by the Board.

7. Exercise of Options

- 7.1 An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company.
- 7.2 An Option may, subject to the provisions of paragraph 9, be exercised in whole or in part (but if in part only, in respect of a board lot in which the Shares are traded on the Stock Exchange from time to time or an integral multiple thereof) in the manner set out in paragraph 7.3 by the Grantee (or, as the case may be, his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 10 Trading Days after receipt of the notice and the remittance of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the Company's auditors' certificate or the certificate from the independent financial adviser to the Company pursuant to paragraph 9, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, as the case may be, his legal personal representative(s)) credited as fully paid and issue to the Grantee (or, as the case may be, his legal personal representative(s)) share certificates in respect of the Shares so allotted.

- 7.3 Subject to any restrictions applicable under the GEM Listing Rules and notwithstanding the terms of grant thereof, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
- (a) in the event of the Grantee ceasing to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as specified in paragraph 8(f) having arisen, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within the period of 12 months following his death provided that where any of the events set out in paragraph 7.3(e), (f), (g) and (h) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the Option only within such of the various periods respectively set out in such paragraphs provided further that if within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph 8(f) which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's legal personal representative(s) and/or to the extent the Option has been exercised in whole or in part by his legal personal representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised such Option and the Company shall return to him the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;
 - (b) in the event of a Grantee who is an Eligible Employee of the Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph 8(f), the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;
 - (c) in the event of a Grantee who is not an Eligible Employee of the Group ceasing to be a Participant as and when determined by the Board by resolution for any reason other than his death the Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation;
 - (d) in the event of the Grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph 8(f), his Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his employment and to the extent the Grantee has exercised the Option in whole or in part pursuant to paragraph 7.2, but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

- (e) in the event a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (f) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith notify all Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company;
- (f) in the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent notified by the Company;
- (g) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise; and
- (h) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 7.3(f) above, between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement and the Grantee (or his legal personal representative) may at any time thereafter but before such time as shall be notified by the Company exercise the Option either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

- 7.4 The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum of association and articles of the Company for the time being in force and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

8. Lapse of Options

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period (subject to the provisions of the New Share Option Scheme);
- (b) the expiry of the periods referred to in paragraph 7.3;
- (c) the expiry of the period referred to in paragraph 7.3(e) subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (d) subject to the scheme of arrangement (referred to in paragraph 7.3(f)) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 7.3(f);
- (e) the date of the commencement of the winding-up of the Company;
- (f) the date on which the Grantee (if an Eligible Employee) ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 8(f) shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s);
- (g) the date on which the Grantee commits a breach of paragraph 7.1; and
- (h) subject to paragraph 7.3(b), the date the Grantee ceases to be a Participant for any other reason.

9. Reorganisation of Capital Structure

In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in the number of Shares subject to the Option so far as unexercised and/or the Subscription Price and/or the maximum number of the Shares referred to in paragraphs 5, 6.1 and 6.3 above provided that any adjustment shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustment shall remain the same as that to which he was entitled before such adjustment and that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and in case of any adjustments other than any made on a capitalisation issue, a written confirmation from an independent financial adviser or the auditors for the time being of the Company is required to confirm that the adjustment(s) satisfy the relevant requirements under the GEM Listing Rules.

10. Disputes

Any dispute arising in connection with the New Share Option Scheme (whether as to the number of Shares, the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the auditors of or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the auditors of or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Grantee.

11. Alteration of the New Share Option Scheme

Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of the Board in relation to any alteration of the terms of the New Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must also, to be effective, be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The New Share Option Scheme so altered must comply with Chapter 23 of the GEM Listing Rules.

12. Cancellation of the Options

The Board may at any time in its absolute discretion cancel any Options previously granted to, but not yet exercised by such Grantee. Where the Company cancels Options and offers Options to the same Grantee, the offer of such new Options may only be made with available Options under the New Share Option Scheme (to the extent not yet granted and excluding the cancelled Options) within the Scheme Mandate Limit or refreshed Scheme Mandate Limit approved by the Shareholders as mentioned in paragraph 5 above from time to time.

13. Termination

The Company by ordinary resolution in general meeting or the Board may at any time terminate the New Share Option Scheme and in such event no further Options may be granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the New Share Option Scheme and which remain unexpired immediately prior to the termination of the operation of the New Share Option Scheme.



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)

NOTICE IS HEREBY GIVEN that an annual general meeting (“**Annual General Meeting**”) of the members of New Universe International Group Limited (the “**Company**”) will be held on Tuesday, 5 May 2015 at 11:00 a.m. at Room 2109, 21st Floor, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and the auditors of the Company for the year ended 31 December 2014;
2. To declare a final dividend for the year ended 31 December 2014;
3.
 - (a) To re-elect Mr. SONG Yuqing as director of the Company;
 - (b) To re-elect Mr. SUEN Ki as director of the Company;
 - (c) To re-elect Dr. CHAN Yan Cheong as independent non-executive director of the Company;
 - (d) To re-elect Mr. YUEN Kim Hung, Michael as independent non-executive director of the Company;
 - (e) To re-elect Mr. HO Yau Hong, Alfred as independent non-executive director of the Company;
 - (f) To authorise the board of directors of the Company to fix the remuneration of the directors;
4. To re-appoint Crowe Horwath (HK) CPA Limited as auditors of the Company and to authorise the board of directors of the Company to fix their remuneration;

* For identification purposes only

5. “THAT

- (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (“Directors”) during the Relevant Period (as defined in paragraph (d) of this resolution) of all powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company (the “Shares”) and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal value of the Shares allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares of the Company, (iii) the exercise of any options granted under the share option scheme or similar arrangement for the time being adopted for the grant or issue of options to subscribe for, or rights to acquire, Shares of the Company or, (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in the capital of the Company in lieu of the whole or part of a dividend on Shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not in aggregate exceed the aggregate of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised from time to time) of the Cayman Islands or any applicable laws to be held; and

- (iii) the revocation or variation of the authority given under this resolution by passing of an ordinary resolution by the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors made to holders of Shares of the Company on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

6. “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (c) of this resolution) of all powers of the Company to purchase its own issued Shares in the share capital of the Company on the GEM of the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with all applicable rules and requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange or any other stock exchange or all other applicable laws in this regards be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised from time to time) of the Cayman Islands or any applicable laws to be held; and

- (iii) the revocation or variation of the authority given under this resolution by passing of an ordinary resolution by the shareholders of the Company in general meeting.

7. **“THAT**

conditional upon the passing of the resolution numbers 5 and 6 above, the general mandate granted to the Directors of the Company to allot, issue and deal with unissued Shares of the Company pursuant to the resolution number 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of any share capital purchased by the Company under the authority granted pursuant to resolution number 6 above, provided that such amount of Shares so purchased shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”

8. **“THAT** subject to and conditional upon the Stock Exchange granting approval of the listing of, and permission to deal in, Shares of the Company which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the **“New Share Option Scheme”**), the rules of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the chairman of the meeting, the New Share Option Scheme be and is hereby approved and adopted and that the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation:

- (a) to administer the New Share Option Scheme;
- (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (as amended from time to time);
- (c) at their absolute discretion to grant options to subscribe for Shares and to issue and allot from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options which may fall to be granted under the New Share Option Scheme; and

- (d) to take all such steps as may be necessary, desirable or expedient to carry into effect the New Share Option Scheme from the close of business of the day on which this resolution is passed.

By Order of the Board
New Universe International Group Limited
HON Wa Fai
Company Secretary

Hong Kong, 31 March 2015

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business:

Rooms 2110-12, 21st Floor
Telford House
16 Wang Hoi Road
Kowloon Bay
Kowloon
Hong Kong

Notes:

1. A form of proxy for use of the Annual General Meeting is enclosed. Whether or not you intend to attend the Annual General Meeting in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Annual General Meeting or any adjournment thereof, should he so wish and in such event, the form of proxy shall be deemed to be revoked.
2. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or, if he is a holder of more than one share, more proxies to attend and, subject to the provisions of the memorandum and articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the Annual General Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
4. In the case of joint holders of Shares, any one of such holders may vote at the Annual General Meeting, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the Annual General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will not be closed for the purpose of ascertaining the right of shareholders of the Company to attend and vote at the forthcoming Annual General Meeting to be held on Tuesday, 5 May 2015. However, in order to qualify for attending and voting at the forthcoming Annual General Meeting, all transfers documents accompanied by the relevant share certificates must be deposited with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 May 2015.
6. The register of members of the Company will be closed for the purpose of ascertaining the entitlement of shareholders of the Company to the proposed final dividend at the Annual General Meeting from Tuesday, 12 May 2015 to Friday, 15 May 2015, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend (subject to the approval of shareholders of the Company at the Annual General Meeting), all transfers documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 11 May 2015.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution number 6 as set out in this notice is set out in Appendix I to this circular.
8. Biographical details of each of Mr. SONG Yuqing and Mr. SUEN Ki proposed to be re-elected as director of the Company, and each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred proposed to be re-elected as independent non-executive director of the Company at the Annual General Meeting are set out in Appendix II to this circular.
9. Pursuant to rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, at the Annual General Meeting, the chairman of the Annual General Meeting will exercise his power under article 66(1) of the Articles of Association of the Company to put each of the resolutions set out in the Notice of Annual General Meeting to be voted by way of poll. On a poll, every shareholder present in person (or in the case of a corporation by its duly authorised representative) or by proxy shall have one vote for each share of which he/she is the holder.
10. As at the date of the Notice of Annual General Meeting, the Board comprises three executive directors: Mr. SONG Yuqing (Chairman and Chief Executive Officer), Ms. CHEUNG Siu Ling and Mr. HON Wa Fai; one non-executive director: Mr. SUEN Ki; and three independent non-executive directors: Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred.