The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Smart Union Group (Holdings) Limited

合俊集團(控股)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

ANNOUNCEMENT PURSUANT TO RULE 13.09

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board announces that on 16 July 2007, the Company entered into the MOU with the Vendor in relation to the Possible Acquisition.

The Target is incorporated in the British Virgin Islands and is principally engaged in investment holding. The principal asset of the Target is its 95% beneficial interest in Tiancheng. Tiancheng is principally engaged in the exploration of precious metals and mineral resources in the PRC.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any Formal Agreement has been signed.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board announces that the Company has entered into the MOU with the Vendor in relation to the Possible Acquisition.

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION

Date: 16 July 2007

Parties: (i) the Company; and

(ii) the Vendor, who is the legal and beneficial owner of the entire issued share capital of the Target

Major terms of the MOU

Under the MOU, it is proposed that the Company will acquire not less than 20% but not more than 49% of the issued share capital of the Target.

The principal asset of the Target is its 95% beneficial interest in the issued share capital of Tiancheng. The remaining 5% interests in Tiancheng are held by Tang Xue Da, a third party independent of the Company and its connected persons. Tiancheng is principally engaged in the exploration of precious metals and mineral resources in the PRC. Tiancheng wholly owns Da An Silver Mine (大安銀礦) in Fujian Province of the PRC. According to the information provided by the Vendor, the silver metal resources of Da An Silver Mine amounted to approximately 508 tonnes as at the end of 2006 and the valuation of Da An Silver Mine is estimated to be over HK$700 million.

Under the MOU, both the Company and the Vendor will proceed to negotiate for a legally-binding Formal Agreement within 30 days from the date of the MOU(or such later date to be agreed by the parties thereto).

It is also agreed that the Vendor will not, within 30 days from the date of the MOU, negotiate with any third party for the Possible Acquisition.

The Deposit of HK$8,000,000 is payable by the Company to the Vendor in respect of the Possible Acquisition. HK$2,000,000 of the Deposit has been paid by the Company to the Vendor prior to the signing of the MOU as earnest money. HK$6,000,000 of the Deposit is payable by the Company to the Vendor within 7 Business Days immediately after the signing of the MOU. The Deposit will be financed from the Group's internal resources. The Directors consider that the Deposit, as one of the terms of the MOU, in exchange for an exclusivity period agreed by the Vendor, is determined by parties to the MOU as reasonable, under normal commercial terms and negotiated on an arm's length basis.

In the event that the Formal Agreement is not entered into between the relevant parties due to breach of terms by the Company, the Vendor shall be entitled to forfeit the Deposit without interest as liquidated damages.

In the event that the Formal Agreement is not entered into between the relevant parties due to breach of terms by the Vendor, the Vendor shall refund the Deposit without interest to the Company and the Vendor shall pay an additional amount equivalent to the Deposit to the Purchaer as liquidated damages.

In the event that the Formal Agreement is not entered into between the relevant parties and that is not due to breach of terms by the Vendor and the Company, the Vendor shall refund the Deposit without interest to the Company and neither party shall have any obligations and liabilities under the MOU.

According to the MOU, the Company shall be entitled to assign its rights under the MOU to any wholly beneficially owned subsidiary of the Company and such assignee may exercise all of the rights of the Company as it were an original party to the MOU.

The aggregate consideration for the Possible Acquisition shall be subject to further negotiation between the parties thereto. It is contemplated that such consideration will not be less than HK$133,000,000 and not more than HK$418,950,000 and be settled in cash and/or consideration shares (at an issue price of HK$1.67 per consideration share) to be determined and agreed by the respective parties. According to the MOU, it is contemplated that not more than HK$418,950,000 of the consideration will be settled in cash and not more than HK$210,420,000 of the consideration will be settled by the Company allotting and issuing not more than 126,000,000 consideration shares at the issue price of HK$1.67.

It is expected that the final consideration fro the Possible Acquisition will be determined with reference to the independent valuation from professional valuer. It is expected that the consideration will be financed from the internal resources of the Group and/or any funds from appropriate fund raising activities.

The MOU, excluding, among others, the payment of the Deposit, the refund mechanism of the Deposit, the exclusivity period agreed by the Vendor and the assignment of rights by the Company to its subsidiary, does not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition will be subject to the execution and completion of the Formal Agreement.

If the Formal Agreement is entered into, it is expected that the Possible Acquisition may constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or Shareholders' approval requirements under the Listing Rules.

Reasons for the Possible Acquisition

The Group is principally engaged in manufacturing, marketing and trading of OBM/ODM toys and recreational products in the PRC, the United Kingdom and the United States. [In order to seek for more business opportunities and to maximize return to the Company and its shareholders in the long run, the Group has decided to enter into the MOU with the Vendor to explore the possibility of co-operation].

General

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As the Possible Acquisition may or may not be entered into, investors and Shareholders are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any Formal Agreement has been signed.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Board"	the board of Directors
"Business Day"	any day on which the Exchange is open for the business in dealing securities
"Company"	Smart Union Group (Holdings) Limited, a company incorporated in the Caymans Island with limited liability and the issued Shares of which are listed on the Stock Exchange
"connected persons"	has the meaning ascribed thereto in the Listing Rules
"Deposit"	HK$8,000,000 being the deposit paid by the Group under the MOU for the Possible Acquisition
"Director(s)"	the director(s) of the Company
"Formal Agreement"	the sale and purchase agreement which may or may not be entered into in relation to the Possible Acquisition

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"MOU"	the non-legally binding memorandum of understanding dated [16] July 2007 entered into between the Company and the Vendor setting out the basic understanding in relation to the Possible Acquisition
"OBM"	acronym for own branding and manufacturing
"ODM"	acronym for original design manufacturing
"Possible Acquisition"	the possible acquisition by the Company from the Vendor of not less than 20% and not more than 49% of the issued share capital of the Target as contemplated in the MOU
"PRC"	the People's Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
"Shareholder(s)"	holder(s) of existing Shares
"Share(s)"	ordinary share(s) of HK$0.10 each in the issued and unissued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target"	China Mining Corporation Limited, a company incorporated in the British Virgin Island with limited liability and is wholly beneficially owned by the Vendor
"Tiancheng"	Fujian Tiancheng Mining Corporation (福建天成礦業有限公司), a company established in the PRC with limited liability. 95% of it registered capital of which is beneficially owned by the Target and 5% of it registered capital of which is beneficially owned by Tang Xue Da.
"Vendor"	Tang Xue Jin (唐學勁), to the best of Directors' knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Company and its connected persons

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Smart Union Group (Holdings) Limited
Wu Kam Bun
Chairman

Hong Kong, 16 July 2007

As at the date of this announcement, the Board comprises executive Directors, namely Mr. Wu Kam Bun, Mr.Lai Chiu Tai, Mr. Lo Kwok Choi, Mr. Ho Wai Wah and Mr. Wong Wai Chuen and independent non-executive Directors, namely, Dr. Lui Sun Wing, Mr. Li Chak Hung and Mr. Tang Koon Yiu, Thomas.