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If you have sold or transferred all your shares in Smart Union Group (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, the licensed securities dealer or registered institution or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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The logo for Smart Union, featuring the words "Smart Union" in a white, cursive font on a red rectangular background. Below the red background is a solid blue horizontal bar.**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)**

- (1) PROPOSED GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF AGM**
-

A notice convening the annual general meeting of the Company (the “AGM”) to be held at 3 p.m. on 1 June, 2012, at Suite 3007-08, 30/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong is set out on pages 14 to 17 of this circular. A form of proxy for use by the shareholders at the AGM is enclosed with this circular. Such form of proxy are also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you intend to attend the AGM, you are advised to read the notice and complete the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and return the form of proxy to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meetings if you wish in which event the relevant form(s) of proxy shall be deemed revoked.

27 April 2012

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Suite 3007-08, 30/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, on 1 June, 2012 at 3 p.m., notice of which is set out on pages 14 to 17 of this circular
“Annual Report 2011”	the annual report of the Company for the year ended 31 December 2011
“Articles of Association”	the articles of association of the Company as may be amended from time to time, and “Article” shall mean an article of the Articles of Association
“Board”	the board of Directors
“Company”	Smart Union Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 2700)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	24 April, 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, but for the purpose of this circular does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the relevant period up to 20% of the issued share capital of the Company as at the date of passing the resolution
“Share Repurchase Mandate”	a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the relevant period up to 10% of the issued share capital of the Company as at the date of passing the resolution
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD

Smart Union

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)

Executive Directors:

Mr. Yang Wang Jian (*Chairman*)
Mr. Wong Man Keung (*Chief Executive Officer*)
Ms. Yang Jun
Mr. Zhu Pei Heng

Registered office:

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

Independent Non-executive Directors:

Mr. Yeung King Wah, Kenneth
Mr. Wong Kwong Chung, James
Mr. Wu Hong

Principal place of business:

Suite 3007-08, 30/F
West Tower, Shun Tak Centre
200 Connaught Road Central
Hong Kong

27 April, 2012

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF AGM**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding, inter alia, (i) the Share Issue Mandate; (ii) the Share Repurchase Mandate; (iii) the Re-election of Directors; and (iv) the Notice of AGM.

LETTER FROM THE BOARD

1. PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

Resolutions will be proposed at the AGM to seek the approval of the Shareholders to:

- (i) grant to the Directors the Shares Issue Mandate to allot, issue and deal with unissued Shares up to a maximum of 20% of the issued share capital of the Company as at the date of the passing of the ordinary resolution;
- (ii) grant to the Directors the Share Repurchase Mandate to make on-market repurchases of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the passing of the ordinary resolution; and
- (iii) extend the Share Issue Mandate by adding to it an amount representing the aggregate nominal amount of the share capital repurchased by the Company pursuant to the Share Repurchase Mandate.

Such general mandates will continue in force 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 or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the Shareholders of the Company in a general meeting.

On the basis of 658,007,900 Shares in issue as at the Latest Practicable Date and assuming that (i) the resolutions approving the Share Issue Mandate and the Share Repurchase Mandate are passed at the AGM, and (ii) no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to allot and issue a maximum of 131,601,580 Shares under the Share Issue Mandate and repurchase a maximum of 65,800,790 Shares under the Share Repurchase Mandate.

Conditional on the passing of the resolution granting the Share Issue Mandate and the resolution granting the Share Repurchase Mandate, an ordinary resolution will also be proposed for Shareholders to consider and, if thought fit, approve the extension of the Share Issue Mandate by adding to the number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate the number of Shares purchased under the Share Repurchase Mandate.

Pursuant to the Listing Rules, the Company is required to provide you with the requisite information which is reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Share Repurchase Mandate. An explanatory statement for such purpose is contained in Appendix I to this circular.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

In accordance with the Articles of Association, Mr. Yang Wang Jian, Mr. Wong Man Keung, Ms. Yang Jun, Mr. Zhu Pei Heng, Mr. Yeung King Wah, Kenneth, Mr. Wu Hong and Mr. Wong Kwong Chung, James will retire by rotation, and being eligible, offer themselves for re-election at the AGM. Biographical details of the retiring Directors who are proposed to be re-elected are set out in Appendix II to this circular.

3. AGM

Set out on pages 14 to 17 of this circular is the notice of the AGM to be held on 1 June, 2012. A form of proxy is enclosed with this circular for use at the AGM. Whether or not you intend to be present at the meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch registrar in Hong Kong, Tricor Investor Services Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meetings, as the case may be. Completion of a form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

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 resolutions to be proposed at the AGM.

4. RECOMMENDATION

The Directors consider that (a) the grant of the Share Issue Mandate and the Share Repurchase Mandate and the extension of the Share Issue Mandate; and (b) the re-election of the retiring Directors as set out in the AGM notice are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

6. GENERAL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the AGM shall be voted by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

Yours faithfully,
By order of the board of Directors
Smart Union Group (Holdings) Limited
Yang Wang Jian
Chairman

This appendix includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Share Repurchase Mandate proposed to be granted to the Directors.

1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution in a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds from the Company's general working capitals which are legally available for the purpose in accordance with the memorandum and Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. An exercise of the proposed repurchase in full during the proposed repurchase period could have a material adverse impact on the working capital and/or gearing position of the Company compared with that of 31 December 2011, being the date of its latest published audited consolidated accounts.

The Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital and/or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

3. REASONS FOR REPURCHASES

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

4. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 658,007,900 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to issue and repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorised to exercise the powers of the Company to repurchase a maximum of 65,800,790 Shares.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Share Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and in accordance with the memorandum and Articles of Association.

6. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as that term is defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the substantial Shareholders having interests in 10% or more of the issued share capital of the Company were:

Name of Shareholder	Number of Shares held	Approximate % as at the Latest Practicable Date	% Shareholding if Share Repurchase Mandate is exercised in full
Gold Bless International Invest Limited (Note 1)	432,000,000	65.65%	72.95%
Yang Wang Jian (Note 1)	432,000,000	65.65%	72.95%

Note:

1. 85% of Gold Bless International Invest Limited is held by Yang Wang Jian who is also an executive Director of the Company.

The Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Share Repurchase Mandate. However, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors or, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Share Repurchase Mandate is granted, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

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

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the twelve months immediately prior to the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
April	N/A	N/A
May	N/A	N/A
June	N/A	N/A
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	N/A	N/A
November	0.66	0.247
December	0.31	0.182
2012		
January	0.32	0.179
February	0.47	0.181
March	0.44	0.375
April (up to the Latest Practicable Date)	0.41	0.360

The biographical details of the Directors proposed to be re-elected at the AGM are set out as follows:

EXECUTIVE DIRECTORS

Mr. Yang Wang Jian, aged 55, was appointed as an executive Director and Chairman of the Company on 7 November 2011. He is also the chairman of the Nomination Committee and the member of the Remuneration Committee of the Company. Mr. Yang has a corporate interest of 432,000,000 Shares and an underlying interest of 345,000,000 Shares within the meaning of Part XV of the SFO.

Mr. Yang is also the chairman of GEV Investments (Hong Kong) Limited, the Hong Kong operating arm of GEV Investments Limited, which is primarily engaged in the provision of advisory services of mergers and acquisitions, strategic planning, valuations, management or leverage buyouts and capital raising. Mr. Yang has over 25 years of experience in international finance and investment. He was the managing director of Corporate Finance International Ltd. and the director of Uni Core Holdings Corporation (Stock symbol: UCHC), a company listed on the US OTC Bulletin Board.

Mr. Yang graduated from University of International Business and Economics, formerly known as College of Beijing Economics and Foreign Trade in the PRC, with a bachelor's degree in economics.

Mr. Yang is the father of Ms. Yang Jun who is a proposed executive Director to be re-elected.

Mr. Yang has entered into a service agreement with the Company for a term of three years commencing from 7 November 2011, which could be terminated by either party by giving not less than 3 months' prior notice in writing to the other party. His appointment is subject to retirement by rotation and re-election by the Shareholders at least once every three years pursuant to the Articles of Association. He is entitled to an annual remuneration of HK\$1,080,000 and a discretionary bonus, which is determined by the Board with reference to his duties and responsibilities within the Group, the Group's performance and the prevailing market condition.

Mr. Wong Man Keung, aged 44, was appointed as an executive Director and Chief Executive Officer of the Company on 7 November 2011. He has over 25 years of experience in direct investment, commercial banking and manufacturing in China. He is currently the director of GEV Investments (Hong Kong) Limited. He has also served as the senior management member of various light and heavy manufacturing companies based in China and oversaw the finance and the production departments. He was an investment manager in Million Base (China) Ltd from 2008 to 2011. Prior to that, Mr. Wong worked in the commercial banking division of a financial institution for approximately 15 years.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Wong has entered into a service agreement with the Company for a term of three years commencing from 7 November 2011, which could be terminated by either party by giving not less than 3 months' prior notice in writing to the other party. His appointment is subject to retirement by rotation and re-election by the Shareholders at least once every three years pursuant to the Articles of Association. He is entitled to an annual remuneration of HK\$960,000 and a discretionary bonus, which is determined by the Board with reference to his duties and responsibilities within the Group, the Group's performance and the prevailing market condition.

Mr. Zhu Pei Heng, aged 38, was appointed as an executive Director of the Company on 7 November 2011. He has been the product engineer and head of toy mould design in various toy manufacturing companies in Panyu and Dongguan, the PRC. Mr. Zhu has over 12 years of experience in the design of toys and toy moulds.

Mr. Zhu graduated from Guangdong Industry Technical College in the PRC, majoring in design of plastic moulds.

Mr. Zhu has entered into a service agreement with the Company for a term of one year commencing from 7 November 2011, which could be terminated by either party by giving not less than 3 months' prior notice in writing to the other party. His appointment is subject to retirement by rotation and re-election by the Shareholders at least once every three years pursuant to the Articles of Association. He is entitled to an annual remuneration of HK\$240,000 and a discretionary bonus, which is determined by the Board with reference to his duties and responsibilities within the Group, the Group's performance and the prevailing market condition.

Ms. Yang Jun, aged 28, was appointed as an executive Director on 7 November 2011. She was the financial controller of GEV Investments (Hong Kong) Limited, managing the advisory service for valuation and strategic planning. She held various senior positions in financing and banking industry field. She performed as assistance manager in Citibank Singapore and senior financial analyst in Royal Bank of Scotland and in charge of Singapore, international and NRI business.

Ms. Yang holds a bachelor's degree of business (economics and finance) with high distinction awarded by RMIT University, Australia.

Ms. Yang is the daughter of Mr. Yang Wang Jian who is a proposed executive Director to be re-elected and the Chairman of the Company.

Ms. Yang has entered into a service agreement with the Company for a term of three years commencing from 7 November 2011, which could be terminated by either party by giving not less than 3 months' prior notice in writing to the other party. Her appointment is subject to retirement by rotation and re-election by the Shareholders at least once every three years pursuant to the Articles of Association. She is entitled to an annual remuneration of HK\$540,000 and a discretionary bonus, which is determined by the Board with reference to her duties and responsibilities within the Group, the Group's performance and the prevailing market condition.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yeung King Wah, Kenneth, aged 53, was appointed as an independent non-executive Director on 7 November 2011. He is also the members of the Nomination Committee, the Audit Committee and the Remuneration Committee of the Company. He is the founder of Yeung and Co Chartered Accountants, a firm of registered auditors based in the United Kingdom, and of China Consulting Consortium. He has over 20 years of experience in auditing, taxation, corporate finance, treasury, financial consulting and management gained from working in Europe and the Asia Pacific region. Mr. Yeung is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. He is also a member of the Chartered Institute of Taxation in the United Kingdom and a full member of the Association of Corporate Treasurers in the United Kingdom. He was a director of EC Venture Ltd., Azure Management Consulting Ltd., ILS (Far East) Ltd., ILS (China) Ltd. and Tendpress Ltd. He is currently a director of JP & M Asia Limited, K&M Nominees Ltd. and China Consulting Consortium Ltd.

Mr. Yeung is currently an independent non-executive director of China Electric Power Technology Holdings Limited (formerly known as A & K Educational Software Holdings Limited) (Stock code: 8053), a company listed on the Growth Enterprise Market of the Stock Exchange and was an independent non-executive director of eForce Holdings Limited (Stock code: 943), a company listed on the Main Board of the Stock Exchange from 3 July 2007 to 1 December 2011.

Mr. Yeung has entered into a letter of appointment with the Company for a term of one year commencing from 7 November 2011, which could be terminated by either party by giving not less than 3 months' prior notice in writing to the other party. His appointment is subject to retirement by rotation and re-election by the Shareholders at least once every three years pursuant to the Articles of Association. He is entitled to an annual remuneration of HK\$120,000 and a discretionary bonus, which is determined by the Board with reference to his duties and responsibilities within the Group, the Group's performance and the prevailing market condition.

Mr. Wu Hong, aged 52, was appointed as an independent non-executive Director on 7 November 2011. He is also a member of the Audit Committee of the Company. He is currently a professor and dean of College of Design, Shenzhen University in the PRC. He has over 18 years of experience in the field of design, and has worked in both the academic field and in commercial areas in the PRC.

Mr. Wu graduated from Chinese National Academy of Arts with a doctor degree of art & design.

Mr. Wu has entered into a letter of appointment with the Company for a term of one year commencing from 7 November 2011, which could be terminated by either party by giving not less than 3 months' prior notice in writing to the other party. His appointment is subject to retirement by rotation and re-election by the Shareholders at least once every three years pursuant to the Articles of Association. He is entitled to an annual remuneration of HK\$120,000 and a discretionary bonus, which is determined by the Board with reference to his duties and responsibilities within the Group, the Group's performance and the prevailing market condition.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Wong Kwong Chung, James, aged 53, was appointed as an independent non-executive Director on 7 November 2011. He is also the Chairman of both the Audit Committee and the Remuneration Committee and a member of the Nomination committee of the Company. He founded Polytoy Manufacturing Company Ltd in 1979 which is a plastic doll manufacturer in Hong Kong. He formed three other toy companies since 1988 which are to produce educational construction toys, expert in vacuum plating for clients like Lego, Tomy and Mattel. He is the director of Neu Kreation Limited which is an educational products' manufacturer. Mr. Wong has over thirty years of investing experiences in manufacturing field. Mr. Wong is a member of the Plastic Manufacturer Association, secretary of Full Gospel Businessmen Fellowship International, member of Toy Christian Fellowship and president of Happymen Foundation. He was a committee member of the Toy Advisory Committee of Hong Kong Trade Development Council for seven years.

Mr. Wong graduated from Hong Kong Polytechnic with a higher diploma in business management.

Mr. Wong has entered into a letter of appointment with the Company for a term of one year commencing from 7 November 2011, which could be terminated by either party by giving not less than 3 months' prior notice in writing to the other party. His appointment is subject to retirement by rotation and re-election by the Shareholders at least once every three years pursuant to the Articles of Association. He is entitled to an annual remuneration of HK\$120,000 and a discretionary bonus, which is determined by the Board with reference to his duties and responsibilities within the Group, the Group's performance and the prevailing market condition.

Save as disclosed above and any information set out in the Annual Report 2011, all the Directors have confirmed that there are no other matters that need to be brought to the attention of the Shareholders of the Company in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2) of the Listing Rules.

NOTICE OF AGM

Smart Union

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Smart Union Group (Holdings) Limited (the “**Company**”) will be held at Suite 3007-08, 30/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on 1 June, 2012, at 3 p.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions of the Company:

AS ORDINARY BUSINESS

1. to receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company for the year ended 31 December 2011;
2. to reappoint PricewaterhouseCoopers as the auditor of the Company and to authorize the board of directors of the Company (the “**Board**”) to fix their remuneration.
3. to re-elect the following Directors:
 - (i) Mr. Yang Wang Jian;
 - (ii) Mr. Wong Man Keung;
 - (iii) Mr. Zhu Pei Heng;
 - (iv) Ms. Yang Jun;
 - (v) Mr. Yeung King Wah, Kenneth;
 - (vi) Mr. Wu Hong;
 - (vii) Mr. Wong Kwong Chung, James; and
 - (viii) to authorize the Board to fix the remuneration of the Directors;

NOTICE OF AGM

4. and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

(A) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers, after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the 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 earlier 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 or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting.”

NOTICE OF AGM

- (B) “**THAT:**
- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares in the capital of the Company be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the 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 earlier 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 or any applicable laws of the Cayman Islands to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting.”
- (C) “**THAT**, subject to the passing of Resolution Nos 4(A) and 4(B) set out above, the general mandate granted to the Directors pursuant to Resolution No. 4(A) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 4(B) set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the said Resolution.”

Yours faithfully,
By order of the Board
Smart Union Group (Holdings) Limited
Yang Wang Jian
Chairman

Hong Kong, 27 April, 2012

NOTICE OF AGM

Principal place of business:

Suite 3007-08, 30/F
West Tower, Shun Tak Centre
200 Connaught Road Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the annual general meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. In case of a recognised clearing house (or its nominees(s) and in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at the meeting and vote in its stead.
2. A form of proxy for use in connection with the annual general meeting is enclosed with this circular. To be valid, the form of proxy, and (if required by the Board) the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the branch share registrars of the Company, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof.
3. Completion and delivery of the form of proxy will not preclude a member of the Company from attending and voting in person at the annual general meeting or any adjournment thereof should such member so wishes, and in such event, the instrument appointing a proxy shall be deemed revoked.
4. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.