



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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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This announcement, for which the directors (the “Directors”) of NEW UNIVERSE INTERNATIONAL GROUP LIMITED (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

- Group revenue was HK\$281,363,000 with a year-on-year increase of 11.0%.
- EBITDA was HK\$109,330,000 with a year-on-year decrease of 5.9%.
- Profit attributable to owners of the Company was HK\$44,336,000 with a year-on-year decrease of 22.4%.
- Earnings per share with a year-on-year decrease of 28.8% to HK cents 1.53.
- Equity attributable to owners of the Company was HK\$688,853,000 at 31 December 2015 with a year-on-year increase of 10.6%.
- Cash and cash equivalents of the Group amounted to HK\$175,805,000 at 31 December 2015.
- The Board recommended to declare a final dividend of HK cents 0.50 per share for the year ended 31 December 2015.

FINAL RESULTS 2015

The board of directors (the “Board”) of New Universe International Group Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015, together with the comparative figures for 2014.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

		2015	2014
	Note	HK\$'000	HK\$'000
Revenue	5	281,363	253,511
Cost of sales		<u>(159,740)</u>	<u>(139,529)</u>
Gross profit		121,623	113,982
Other revenue	6	4,952	4,601
Other net income	7	9,310	27,198
Distribution and selling expenses		(7,144)	(8,799)
Administrative expenses		(41,176)	(36,726)
Other operating expenses		<u>(16,689)</u>	<u>(17,058)</u>
Operating profit		70,876	83,198
Finance income		640	1,539
Finance costs		<u>(2,799)</u>	<u>(2,817)</u>
Finance costs – net		(2,159)	(1,278)
Share of profit of an associate		<u>4,154</u>	<u>2,555</u>
Profit before taxation	8	72,871	84,475
Income tax	9	<u>(13,459)</u>	<u>(12,596)</u>
Profit for the year		<u>59,412</u>	<u>71,879</u>
Attributable to:			
Owners of the Company		44,336	57,153
Non-controlling interests		<u>15,076</u>	<u>14,726</u>
		<u>59,412</u>	<u>71,879</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share			
Basic and diluted earnings per share	10	<u>1.53</u>	<u>2.15</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit for the year	<u>59,412</u>	<u>71,879</u>
Other comprehensive income:		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences		
– on translation of financial statements of overseas subsidiaries	(31,342)	(5,245)
– on translation of financial statements of overseas associate	(877)	(147)
– reclassification of translation reserve upon de-registration of a foreign subsidiary	–	(8,100)
Fair value changes on available-for-sale equity investments	(8,300)	17,500
Tax effect relating to changes in fair value of available-for-sale investments	<u>830</u>	<u>(1,750)</u>
Other comprehensive income for the year, net of income tax	<u>(39,689)</u>	<u>2,258</u>
Total comprehensive income for the year	<u><u>19,723</u></u>	<u><u>74,137</u></u>
Attributable to:		
Owners of the Company	9,274	60,347
Non-controlling interests	<u>10,449</u>	<u>13,790</u>
Total comprehensive income for the year	<u><u>19,723</u></u>	<u><u>74,137</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		527,884	505,640
Prepaid lease payments and deposit paid for land use rights		99,984	94,236
Goodwill		33,000	33,000
Interest in an associate		15,360	16,756
Available-for-sale equity investments		76,700	85,000
		<hr/> 752,928 <hr/>	<hr/> 734,632 <hr/>
Current assets			
Inventories		1,042	1,379
Trade and bills receivables	12	46,857	45,638
Prepayments, deposits and other receivables	13	14,569	16,615
Prepaid lease payments		2,599	2,711
Pledged bank deposits		5,318	10,313
Cash and cash equivalents		175,805	121,780
		<hr/> 246,190 <hr/>	<hr/> 198,436 <hr/>
Current liabilities			
Interest-bearing bank borrowings		39,798	40,788
Trade payables	14	4,251	2,152
Accrued liabilities and other payables		114,972	98,050
Deposits received from customers		3,621	901
Deferred government grants		447	455
Income tax payable		9,436	9,796
		<hr/> 172,525 <hr/>	<hr/> 152,142 <hr/>
Net current assets		73,665 <hr/> <hr/>	46,294 <hr/> <hr/>
Total assets less current liabilities		826,593 <hr/> <hr/>	780,926 <hr/> <hr/>

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current liabilities			
Interest-bearing bank borrowings		7,874	1,260
Other borrowings		30,000	48,000
Deferred government grants		3,790	4,671
Deferred tax liabilities		25,157	25,742
		<u>66,821</u>	<u>79,673</u>
Net assets		<u>759,772</u>	<u>701,253</u>
Capital and reserves			
Share capital		29,557	27,557
Reserves	15	659,296	600,981
Equity attributable to owners of the Company		<u>688,853</u>	628,538
Non-controlling interests		<u>70,919</u>	<u>72,715</u>
Total equity		<u>759,772</u>	<u>701,253</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to owners of the Company							Total	Non- controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Investment revaluation reserve	Capital reserve	Statutory reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 15(i))	(note 15(ii))	(note 15(iii))	(note 15(iv))	(note 15(v))	(note 15(vi))				
At 1 January 2014	26,557	305,084	41,305	5,050	4,795	16,718	150,197	549,706	58,551	608,257
Profit for the year	-	-	-	-	-	-	57,153	57,153	14,726	71,879
Other comprehensive income										
Exchange differences										
– on translation of financial statements of overseas subsidiaries	-	-	(4,309)	-	-	-	-	(4,309)	(936)	(5,245)
– on translation of financial statements of an overseas associate	-	-	(147)	-	-	-	-	(147)	-	(147)
– reclassification of translation reserve upon de-registration of a foreign subsidiary	-	-	(8,100)	-	-	-	-	(8,100)	-	(8,100)
Fair value changes on available-for-sale equity investments, net of deferred tax	-	-	-	15,750	-	-	-	15,750	-	15,750
Total comprehensive income for the year	-	-	(12,556)	15,750	-	-	57,153	60,347	13,790	74,137
Issue of subscription shares, net of share issuance costs of HK\$310,000	1,000	28,690	-	-	-	-	-	29,690	-	29,690
Contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	6,566	6,566
Transfer of reserves	-	-	-	-	-	6,402	(5,391)	1,011	(1,011)	-
Dividend relating to 2013	-	-	-	-	-	-	(12,216)	(12,216)	-	(12,216)
Dividend paid to non-controlling shareholders relating to 2013	-	-	-	-	-	-	-	-	(5,181)	(5,181)
At 31 December 2014 and 1 January 2015	27,557	333,774	28,749	20,800	4,795	23,120	189,743	628,538	72,715	701,253
Profit for the year	-	-	-	-	-	-	44,336	44,336	15,076	59,412
Other comprehensive income										
Exchange differences										
– on translation of financial statements of overseas subsidiaries	-	-	(26,715)	-	-	-	-	(26,715)	(4,627)	(31,342)
– on translation of financial statements of an overseas associate	-	-	(877)	-	-	-	-	(877)	-	(877)
Fair value changes on available-for-sale equity investments, net of deferred tax	-	-	-	(7,470)	-	-	-	(7,470)	-	(7,470)
Total comprehensive income for the year	-	-	(27,592)	(7,470)	-	-	44,336	9,274	10,449	19,723
Issue of subscription shares, net of share issuance costs of HK\$309,000	2,000	66,691	-	-	-	-	-	68,691	-	68,691
Acquisition of additional interest in subsidiaries from a shareholder	-	-	-	-	378	-	-	378	(2,578)	(2,200)
Transfer of reserves	-	-	-	-	-	9,021	(12,862)	(3,841)	3,841	-
Dividend relating to 2014	-	-	-	-	-	-	(14,187)	(14,187)	-	(14,187)
Dividend paid to non-controlling shareholders relating to 2014	-	-	-	-	-	-	-	-	(13,508)	(13,508)
At 31 December 2015	<u>29,557</u>	<u>400,465</u>	<u>1,157</u>	<u>13,330</u>	<u>5,173</u>	<u>32,141</u>	<u>207,030</u>	<u>688,853</u>	<u>70,919</u>	<u>759,772</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2015

1. GENERAL INFORMATION

- (a) New Universe International Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The financial statements are presented in Hong Kong dollars (“HK\$”) that is also the functional currency of the Company while the functional currency of the subsidiaries in the Mainland of The People’s Republic of China (“PRC”) is Renminbi (“RMB”). As the Company’s shares are listed in Hong Kong, the Directors of the Company consider that it is more appropriate to present the financial statements in HK\$, where most of its investors are located in Hong Kong.
- (c) The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as follows:
 - (i) environmental treatment of industrial and medical wastes;
 - (ii) environmental plating sewage treatment services and provision of facilities in an eco-plating specialised zone; and
 - (iii) investments in plastic materials dyeing operations.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) to the financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries and the Group's interest in an associate.

The financial statements have been prepared under the historical cost convention except for certain available-for-sale equity investments which are stated at their fair value.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Change in accounting policy

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company:

- Amendments to HKAS 19, Employee benefits: Defined benefit plans: Employee contributions
- Annual Improvements to HKFRSs 2010-2012 Cycle
- Annual Improvements to HKFRSs 2011-2013 Cycle

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended HKFRSs are discussed below:

Amendments to HKAS 19, Employee benefits: Defined benefit plans: Employee contributions

The amendments introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on these financial statements as the defined benefit plans operated by the Company are wholly funded by contributions from the Group and do not involve contributions from employees or third parties.

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a “related party” to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the group’s related party disclosures as the Group does not obtain key management personnel services from management entities.

3. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and a new standard which are not yet effective for the year ended 31 December 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

HKFRS 9	Financial instruments ¹
HKFRS 15	Revenue from contracts with customers ¹
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ²
Amendments to HKAS 1	Disclosure initiative ²
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ²
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants ²
Amendments to HKFRS 10, HKFRS12 and HKAS 28	Investment entities: Applying the consolidation exception ²
Amendments to HKAS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2016.

³ Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. SEGMENT INFORMATION

The Group manages its business by divisions which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Company’s executive Directors, being the most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. These segments are managed separately. No operating segments have been aggregated to form the following reportable segments.

- (i) provision of environmental waste treatment services;
- (ii) provision of environmental industrial sewage treatment and facility services in an eco-plating specialised zone; and
- (iii) investments in plastic materials dyeing business.

(a) **Segment results, assets and liabilities**

For the year ended 31 December 2015

	Operating segments				Total HK\$'000
	Environmental waste treatment services HK\$'000	Environmental sewage treatment and facility services HK\$'000	Plastic dyeing investments HK\$'000	Head office and corporate HK\$'000	
Revenue from external customers	184,702	96,661	-	-	281,363
Other revenue	425	-	4,527	-	4,952
Reportable segment revenue	185,127	96,661	4,527	-	286,315
Reportable segment results	66,068	14,848	3,903	-	84,819
Other net income	8,150	1,160	-	-	9,310
Finance income	282	464	(108)	2	640
Finance costs	(715)	(2,084)	-	-	(2,799)
Depreciation and amortisation	(19,025)	(14,801)	-	(474)	(34,300)
Impairment loss on property, plant and equipment	(2,159)	-	-	-	(2,159)
Reportable segment assets	458,592	375,699	76,987	87,840	999,118
Additions to non-current segment assets	80,978	10,282	-	2,404	93,664
Reportable segment liabilities	123,301	88,465	1,370	26,210	239,346

For the year ended 31 December 2014

	Operating segments				Total HK\$'000
	Environmental waste treatment services HK\$'000	Environmental sewage treatment and facility services HK\$'000	Plastic dyeing investments HK\$'000	Head office and corporate HK\$'000	
Revenue from external customers	170,929	82,582	-	-	253,511
Other revenue	249	-	4,352	-	4,601
Reportable segment revenue	171,178	82,582	4,352	-	258,112
Reportable segment results	71,227	7,898	3,874	-	82,999
Other net income	14,558	485	-	12,155	27,198
Finance income	657	229	10	643	1,539
Finance costs	(956)	(1,861)	-	-	(2,817)
Depreciation and amortisation	(16,072)	(14,198)	-	(152)	(30,422)
Impairment loss on property, plant and equipment	(1,738)	-	-	-	(1,738)
Reportable segment assets	410,549	402,746	85,179	34,594	933,068
Additions to non-current segment assets	74,050	39,702	-	144	113,896
Reportable segment liabilities	95,892	122,225	2,200	11,498	231,815

(b) **Reconciliation of reportable segment revenue, profit or loss, assets and liabilities**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue		
Consolidated revenue	281,363	253,511
Elimination of inter-segment revenue	–	–
Other revenue	4,952	4,601
	<u>286,315</u>	<u>258,112</u>
Reportable segment revenue	<u><u>286,315</u></u>	<u><u>258,112</u></u>
Profit		
Reportable segment profit	84,819	82,999
Unallocated head office and corporate (expenses)/income	(11,948)	1,476
	<u>72,871</u>	<u>84,475</u>
Consolidated profit before taxation	<u><u>72,871</u></u>	<u><u>84,475</u></u>
Assets		
Reportable segment assets	911,278	898,474
Unallocated head office and corporate assets	87,840	34,594
	<u>999,118</u>	<u>933,068</u>
Consolidated total assets	<u><u>999,118</u></u>	<u><u>933,068</u></u>
Liabilities		
Reportable segment liabilities	213,136	220,317
Unallocated head office and corporate liabilities	26,210	11,498
	<u>239,346</u>	<u>231,815</u>
Consolidated total liabilities	<u><u>239,346</u></u>	<u><u>231,815</u></u>

(c) **Geographic information**

As the Group's business participates in only one geographical location classified by the location of assets, that is, the PRC, no separate geographical segment analysis based on the location of assets is presented. The geographical location of customers is based on the location at which the services provided is presented as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Mainland China	<u><u>286,315</u></u>	<u><u>258,112</u></u>

(d) **Major customers**

For the years ended 31 December 2015 and 2014, there was no major customer accounted for more than 10% of the total revenue of the Group.

5. REVENUE

An analysis of the Group's revenue is presented as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Environmental waste treatment services	184,702	170,929
Industrial sewage treatment and facility provision services	96,661	82,582
	<u>281,363</u>	<u>253,511</u>

6. OTHER REVENUE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Dividend income from available-for-sale equity investments	4,527	4,352
Scrap sales	425	249
	<u>4,952</u>	<u>4,601</u>

7. OTHER NET INCOME

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net compensation received for plant relocation	–	9,338
Net gain on de-registration of a subsidiary in PRC	–	8,482
Derecognition of liabilities of de-registered subsidiaries	–	3,636
Net gain on disposal of available-for-sale equity investment	–	29
Refund of VAT under tax preferential policy in PRC	4,401	–
Government environmental subsidies	3,208	2,482
Release of deferred government grants	825	3,156
Sundry	876	75
	<u>9,310</u>	<u>27,198</u>

8. PROFIT BEFORE TAXATION

Profit before taxation was arrived at after charging:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Amortisation of land lease prepayments	<u>2,413</u>	<u>2,536</u>
Depreciation for property, plant and equipment	<u>31,887</u>	<u>27,886</u>
Operating lease charges: minimum lease payments		
– land and buildings in Hong Kong	696	486
– land and buildings in PRC	1,244	737
– landfill in PRC	98	127
	<u>2,038</u>	<u>1,350</u>
Net loss on disposal of property, plant and equipment	<u>193</u>	<u>789</u>
Impairment loss on property, plant and equipment	<u>2,159</u>	<u>1,738</u>
Bad debts written off	<u>508</u>	<u>–</u>
Auditor's remuneration:		
– audit service	900	850
– non-audit services	150	220
	<u>1,050</u>	<u>1,070</u>
Staff costs:		
– Directors' emoluments	2,019	2,047
– salaries, wages and other benefits of employees other than Directors	39,279	38,609
– contributions to retirement benefits schemes	5,006	4,221
Total staff costs	<u>46,304</u>	<u>44,877</u>
Cost of sales (<i>note</i>)	<u><u>159,740</u></u>	<u><u>139,529</u></u>

Note:

Included in cost of sales were raw materials consumed of HK\$19,477,000 (2014: HK\$20,330,000), staff costs of HK\$23,471,000 (2014: HK\$20,747,000) and depreciation of HK\$27,533,000 (2014: HK\$24,346,000), and of which staff costs and depreciation have already been included in the respective total amounts disclosed above.

9. INCOME TAX

(a) Taxation in the consolidated income statement represents:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax	20,552	18,711
Income tax refunded for prior years under preferential policy	(2,238)	(5,275)
(Over)/under provision in respect of prior years	(5,100)	105
	<hr/>	<hr/>
	13,214	13,541
Deferred tax	245	(945)
	<hr/>	<hr/>
	13,459	12,596
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgins Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgins Islands.
- (ii) Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the years. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the years ended 31 December 2015 and 2014.
- (iii) The Company's subsidiaries in PRC are subject to a statutory Enterprise Income Tax at the rate of 25% (2014: 25%), except for the subsidiary which is qualified as the High and New Technology Enterprise in PRC that would be entitled to enjoy a preferential Enterprise Income Tax at the rate of 15% (2014: 15%).

(b) **Reconciliation between tax expense and accounting profit at the applicable rates:**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit before taxation	<u>72,871</u>	<u>84,475</u>
Notional tax on profit before taxation,calculated at the rates applicable in the tax jurisdiction concerned	18,396	19,688
Tax effect of expenses not deductible for tax purpose	1,290	239
Tax effect of income not taxable for tax purpose	(2,844)	(3,479)
Tax effect of tax losses not recognised	5,913	2,263
(Over)/under provision in relation to prior years	(5,100)	105
Tax effect of temporary differences recognised	245	(945)
Effect of income tax preferential policy in PRC	<u>(4,441)</u>	<u>(5,275)</u>
Tax expense for the year	<u><u>13,459</u></u>	<u><u>12,596</u></u>

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the profit attributable to owners of the Company of HK\$44,336,000 (2014: HK\$57,153,000) and the weighted average number of 2,901,998,388 (2014: 2,657,888,799) ordinary shares of the Company in issue during the year.

(a) **Profit attributable to owners of the Company**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share	<u>44,336</u>	<u>57,153</u>

(b) **Weighted average number of ordinary shares**

	2015	2014
Ordinary shares in issue at 1 January	2,755,697,018	2,655,697,018
Effect of new shares issued	<u>146,301,370</u>	<u>2,191,781</u>
Weighted average number of ordinary shares at 31 December	<u><u>2,901,998,388</u></u>	<u><u>2,657,888,799</u></u>

There were no dilutive potential ordinary shares in existence during both years, therefore, diluted earnings per share is the same as basic earnings per share.

11. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Final dividend proposed after the end of the reporting period of HK\$0.0050 (2014: HK\$0.0048) per share	<u>14,778</u>	<u>14,187</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year of HK\$0.0048 (2014: HK\$0.0046) per share	<u>14,187</u>	<u>12,216</u>

12. TRADE AND BILLS RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	25,046	36,216
Less: allowance for impairment of trade receivables	—	—
	<u>25,046</u>	<u>36,216</u>
Bills receivable	21,811	9,422
	<u>46,857</u>	<u>45,638</u>

(a) **Ageing analysis**

The ageing analysis of trade and bills receivables (net of allowance for doubtful debts) as of the end of the reporting period based on the invoice date is presented as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 30 days	24,098	25,445
31 days to 60 days	11,330	8,393
61 days to 90 days	3,614	4,677
91 days to 180 days	5,233	4,793
181 days to 360 days	2,582	2,330
Over 360 days	–	–
	<hr/> 46,857 <hr/>	<hr/> 45,638 <hr/>

The Group's trading terms with its customers are mainly on credit. The Group allows an average credit period of 60 days to its customers of the environmental industrial waste, sewage and sludge treatment services, and an extended average credit period of 180 days to the customers of regulated medical waste treatment which are hospitals and medical clinics.

(b) **Impairment losses of trade receivables**

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for doubtful debts during the year is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 January	–	–
Impairment loss recognised	508	–
Uncollectible amounts written off	(508)	–
	<hr/> – <hr/>	<hr/> – <hr/>
At 31 December	<hr/> – <hr/>	<hr/> – <hr/>

(c) **Analysis of trade receivables not being impaired**

Ageing analysis of trade and bills receivables at the end of the reporting period that are neither individually nor collectively considered to be impaired is presented as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Neither past due nor impaired	35,428	33,838
Less than 30 days past due	3,614	4,677
More than 30 days but less than 120 days past due	5,233	4,793
More than 120 days but less than 360 days past due	2,582	2,330
	<u>46,857</u>	<u>45,638</u>

Receivables that were neither past due nor impaired relate to a wide range of independent customers for whom there was no recent history of default. Receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, the management believes that no impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Prepayments	6,940	4,666
Compensation receivable on plant relocation	–	5,574
Other receivables	7,629	6,375
	<u>14,569</u>	<u>16,615</u>

14. TRADE PAYABLES

The ageing analysis of the trade payables as of the end of the reporting period based on the invoice date is presented as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 30 days	3,916	2,011
31 days to 60 days	149	22
61 days to 90 days	14	47
Over 91 days	172	72
	<u>4,251</u>	<u>2,152</u>

Trade payables are non-interest bearing and normally settled within 90 days to 180 days.

15 RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

Nature and purpose of reserves and their movements are as follows:

(i) Share premium

The application of the share premium account is governed by Section 34 of the Companies Law (Chapter 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The balance of share premium is distributable and for such use as permissible under the laws of Cayman Islands and the articles of association of the Company.

(ii) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas operations. The reserve is dealt with in accordance with the accounting policies of translation of foreign currencies. The balance of this general reserve is distributable and available for such use as permissible under the laws of Cayman Islands and the articles of association of the Company.

(iii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale equity investments at the end of the reporting period.

(iv) Capital reserve

On 17 February 2011, the Group's effective interest in the group of New Sinotech Investment Limited ("NSIL") was increased from 38% to 98%, and NSIL together with its subsidiaries ("NSIL group") became 98% indirectly owned subsidiaries of the Company, and the excess of fair value of net assets acquired over cost of acquisition of 98% equity interests in NSIL group of HK\$4,185,000 (after deduction of acquisition related costs) was recognised as deemed contribution from the transferors, New Universe Enterprises Limited and Mr. CHAN Son Neng, in their capacity as shareholders of the Company and fully credited as capital reserve in the equity of the Group.

On 7 October 2015, the Group's effective interest in NSIL was increased from 98% to 100%, and the excess of carrying value of net assets acquired over cost of acquisition of the remaining 2% equity interests in NSIL group of HK\$378,000 (after deduction of acquisition related costs) was recognised as deemed contribution from the transferor, Mr. CHAN Son Neng, in his capacity as shareholder of the Company and fully credited as capital reserve in the equity of the Group.

(v) Statutory reserve

In accordance with the relevant regulations in the PRC, the Company's subsidiaries established in the PRC are required to transfer a certain percentage of its profits after tax to reserve funds. Subject to certain restrictions set out in the relevant PRC regulations and in the subsidiary's articles of association, the reserve funds may be used either to offset losses, or for capitalisation by way of paid-up capital.

(vi) Distributability of reserves

At 31 December 2015, the Company had reserves available for distribution to its owners in the amount of HK\$488,790,000 (2014: HK\$401,991,000).

17. EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period the directors of the Company proposed a final dividend. Further details are disclosed in note 11.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2015, total reportable segment revenue of the Group was HK\$286,315,000 (2014: HK\$258,112,000) with a year-on-year increase of 10.9%. Total segment revenue from the provision of industrial and medical waste treatment services was HK\$185,127,000 (2014: HK\$171,178,000) with a year-on-year increase of 8.1%. Total segment revenue from the provision of industrial sewage and sludge treatment and facility services in the eco-plating specialised zone was HK\$96,661,000 in 2015 (2014: HK\$82,582,000) with a year-on-year increase of 17.0%. The overall segment profit margin (pre-tax) of the Group in 2015 was approximately 29.6% (2014: 32.2%).

Owing to decrease in other net income of the Group in 2015 as compared to 2014, for the year ended 31 December 2015, the profit attributable to owners of the Company was HK\$44,336,000, a decrease of 22.4% from 2014 (2014: HK\$57,153,000). Total earnings per share attributable to the owners of the Company was HK\$0.0153 for the year ended 31 December 2015 (2014: HK\$0.0215), a decrease of 28.8% from 2014.

BUSINESS REVIEW

Environmental Industrial and Medical Waste Integrated Treatment Services

For the year ended 31 December 2015, the Group had collected for treatment in aggregate of approximately 32,509 metric tonnes (2014: 30,356 metric tonnes) of hazardous industrial waste, 5,522 metric tonnes (2014: 4,842 metric tonnes) of regulated medical waste, and 1,941 metric tonnes (2014: 6,761 metric tonnes) of general industrial waste from various cities in Jiangsu Province of China. For the year ended 31 December 2015, the total revenue of the Group's operations of providing environmental waste integrated treatment services was approximately HK\$184,702,000 (2014: HK\$170,929,000) of which the revenue from treatment of hazardous industrial waste, medical waste and general industrial waste were HK\$155,918,000, HK\$27,074,000 and HK\$1,710,000 (2014: HK\$137,775,000, HK\$27,649,000 and HK\$5,505,000) respectively. The segment profit margin (pre-tax) of the Group's environmental waste integrated treatment services was approximately 35.7% in current year (2014: 42.6%).

As at 31 December 2015, the Group's facilities for the provision of industrial and medical waste integrated treatment services were summarised as follows:

	Annualised capacity (metric tonnes)
Licensed hazardous waste incineration facilities	42,900
Licensed epidemic medical waste incineration facilities	8,000
	<hr/>
Total licensed treatment facilities	50,900
	<hr/> <hr/>
Constructed hazardous waste incineration facilities pending operating permission license #	9,600
Constructed hazardous waste landfill facilities pending operating permission license	18,000
Constructed medical waste treatment facilities pending operating permission license	2,640
	<hr/>
Total constructed treatment facilities pending operating licenses	30,240
	<hr/> <hr/>
New incineration facilities planned to start construction within one year	33,000
New facilities for medical waste treatment planned to start construction within one year	3,300
	<hr/>
Total planned construction of new facilities	36,300
	<hr/> <hr/>

The hazardous waste operating permission license for the incineration facilities located in Xiangshui has been granted by the Environmental Protection Department of Jiangsu Province in January 2016.

In addition to the existing facilities in operation and the new facilities to be started setting up within a year, the Group has also established in June 2015 a new wholly-owned subsidiary, 宿遷宇新固體廢物處置有限公司 (Suqian New Universe Solid Waste Disposal Company Limited*) situated at the Suqian Eco Chemical Industry Park in Suqian of the Jiangsu Province, and will target to build new hazardous waste treatment facilities with an annual capacity up to 100,000 metric tonnes in the medium-term planning. The Group will acquire land use rights for the project, and expects to start civil engineering construction works in mid-2016.

Environmental Industrial Sewage Treatment Services in Eco-plating Specialised Zone

For the year ended 31 December 2015, total revenue of the Group's operations of providing environmental industrial sewage and sludge treatment services and providing facilities to the manufacturers in the eco-plating specialised industrial zone ("Eco-plating Specialised Zone") was approximately HK\$96,661,000 (2014: HK\$82,582,000). The segment profit margin (pre-tax) of the Group's operations in the Eco-plating Specialised Zone was approximately 15.4% (2014: 9.6%).

In the Eco-plating Specialised Zone with an area of approximately 180,000 square metres, the Group owns 22 factory buildings that are currently leased by over 50 manufacturing clients engaging in plating operations. The Group operates a centralised plating sewage treatment plant, a centralised industrial sludge treatment plant and customised facilities equipped for all clients in the zone.

As at 31 December 2015, the Group's operations in the Eco-plating Specialised Zone were summarised as follows:

	2015	2014
Total gross floor area of factory buildings and facilities built (square metres)	106,577	83,240
Average utilisation rate during the year	90%	97%
Plating sewage handled by the centralised sewage treatment plant (metric tonnes)	592,180	546,530
Industrial sludge handled by the centralised sludge treatment plant (metric tonnes)	3,650	3,162

* For identification purposes only

Strategic Investments in Plastic Materials Dyeing Operations

The Group holds the equity interests in three manufacturing entities that principally engaged in plastic materials dyeing in Mainland China as strategic equity investments. For the year ended 31 December 2015, the profit margins (pre-tax) of Suzhou New Huamei Plastics Company Limited (“Suzhou New Huamei”), Danyang New Huamei Plastics Company Limited (“Danyang New Huamei”) and Qingdao Zhongxin Huamei Plastics Company Limited (“Qingdao Huamei”) were 4.7%, 2.4% and 3.8% (2014: 4.8%, 2.2% and 2.9%) respectively.

For the year ended 31 December 2015, total dividend received by the Group (before PRC dividend tax) in relation to the results of Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei in 2014 was approximately HK\$4,527,000 (2014: HK\$4,352,000).

Clean-up of Discontinued Operations

Further to the completion of the voluntary winding-up of Suzhou New Universe Smartech Tooling and Plastics Limited (which formerly had engaged in precision mold making and plastic injection) in 2014, the de-registration of its immediate holding company, Bestwin (China) Limited, has completed in Hong Kong on 8 January 2016.

Outlook

As at 31 December 2015, the Group owns 6 (2014: 5) major entities engaged in providing hazardous waste treatment services, and also owns an industrial park, the Eco-plating Specialised Zone in Jiangsu Province, China, servicing approximately 700 medical organisations and approximately 1,500 manufacturing clients engaging in different industrial businesses inclusive of chemicals, plastics, automotive, paper-making and plating in the country. Commencing from 2016, the total licensed capacity of the Group for incineration of hazardous industrial and medical waste is approximately 60,500 metric tonnes per annum (on annualised basis), which shall bring well-monitored hazardous waste treatment services in the Mainland China and shall bring stable returns to the Group. The Group will continue to focus on environmental related business and will continue to enhance the waste management and treatment standards. Barring any unforeseeable risks from the global and local economies that might affect the Group’s environmental operations in the Mainland China, the Group is still looking for sustainable growth in the coming year. The Board may consider making an application for the transfer of listing of the Company’s shares from GEM to Main Board as and when it is appropriate in the future.

FINANCIAL REVIEW

The summary of annual and quarterly results for the year ended 31 December 2015 together with corresponding figures for 2014 is presented as follows:

Summary of annual results

(Expressed in HK\$'000 unless indicated otherwise)

	<i>Note</i>	Year ended 31 December		Change %
		2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	
Revenue from environmental waste treatment services	1(i)	184,702	170,929	+8.1
Revenue from environmental industrial sewage treatment and facility services	1(ii)	96,661	82,582	+17.0
Total Revenue	1	281,363	253,511	+11.0
Average gross profit margin (in percentage)	2	43.2	45.0	-4.0
Other revenue	3	4,952	4,601	+7.6
Other net income	4	9,310	27,198	-65.8
Distribution and selling expenses	5	7,144	8,799	-18.8
Administrative expenses	6	41,176	36,726	+12.1
Other operating expenses	7	16,689	17,058	-2.2
Finance income	8	640	1,539	-58.4
Finance costs	9	2,799	2,817	-0.6
Share of net profits of an associate	10	4,154	2,555	+62.6
Income tax	11	13,459	12,596	+6.9
Net profit for the year	12	59,412	71,879	-17.3
Profit attributable to owners of the Company	12	44,336	57,153	-22.4
Total basic and diluted EPS (in HK cents)	13	1.53	2.15	-28.8
EBITDA	14	109,330	116,175	-5.9

Notes:

1. Net increase in total revenue for the year ended 31 December 2015 was mainly attributable to:
 - (i) increase in quantities of hazardous industrial waste collected for treatment and disposal, and increase in handling prices for hazardous industrial waste in current year; and
 - (ii) increase in gross floor area of factory buildings completed which accommodated new clients entering the specialised industrial zone in current year.
2. Decrease in gross profit margin of the Group for the year ended 31 December 2015 was mainly attributable to the PRC value added tax (“VAT”) of 17% being charged on the revenue from hazardous industrial waste treatment in PRC with effect from 1 July 2015.
3. Net increase in other revenue for the year ended 31 December 2015 was mainly attributable to the increase in outsourced operation income from nitrile rubber recycling.
4. Net decrease in other net income for the year ended 31 December 2015 was mainly attributable to decrease in non-core business income in current year, as comparing to 2014 in which net gains totally amounted to approximately HK\$12,118,000 were recorded on derecognition of liabilities attributable to different subsidiaries being de-registered and a net compensation income of approximately HK\$9,338,000 was recorded on the removal of a hazardous waste treatment plant in PRC.
5. Net decrease in distribution and selling expenses for the year ended 31 December 2015 was mainly attributable to decrease in environmental marketing incentive expenses.
6. Net increase in administrative expenses for the year ended 31 December 2015 was mainly attributable to:
 - (i) increase in administrative expenses incurred for new plants and subsidiaries of the Group established in PRC but yet to have revenue in current year; and
 - (ii) increase in expenses incurred for field inspection and exploring for new investment opportunities in current year.
7. Net decrease in other operating expenses for the year ended 31 December 2015 was mainly attributable to decrease in research and development costs in current year.
8. Net decrease in finance income for the year ended 31 December 2015 was mainly attributable to increase in exchange losses arisen from dividends remitted by subsidiaries and equity investments from PRC back to head office in Hong Kong.
9. Net decrease in finance costs for the year ended 31 December 2015 was mainly attributable to decrease in interests paid for bank borrowings in current year.

10. Net increase in profits shared from an associate for the year ended 31 December 2015 was mainly attributable to increase in profit shared from the hazardous waste landfill operation in current year.
11. Net increase in income tax for the year ended 31 December 2015 was mainly attributable to increase in PRC Dividend Tax paid in current year.
12. For the year ended 31 December 2015, net decrease in profit and decrease in profit attributable to owners of the Company were mainly attributable to:
 - (i) decrease in other net income in current year;
 - (ii) new PRC tax policy effected in current year that all revenue from hazardous industrial waste treatment in Mainland China is subject to 17% VAT in PRC;
 - (iii) increase in treatment plants and subsidiaries established in PRC which were yet to have revenue in the year 2015; and
 - (iv) decrease in RMB exchange rate, being the functional currency of the Group's subsidiaries in PRC, relative to HKD exchange rate, being the presentation currency of the Company in Hong Kong during the year 2015.
13. For the year ended 31 December 2015, decrease in earnings per share in current year was slightly affected by increase in new shares of the Company being issued in April 2015 pursuant to a subscription agreement.
14. The Company uses "Earnings before interest, tax, depreciation and amortisation" (EBITDA) to measure the operating result of the Group, which represents the consolidated profit before taxation plus adding back interest expense, depreciation and amortisation charges over a reporting period. Decrease in EBITDA for 2015 as compared to 2014 was mainly attributable to decrease in net profit of the Group in current year.

Seasonality of operations

For the years ended 31 December 2015 and 2014, the operation of providing environment hazardous waste treatment services has encountered a relatively higher demand of treatment services in the first and second quarters of a year.

For the financial year ended 31 December 2015, the environmental waste treatment services reported a revenue of HK\$184,702,000 (2014: HK\$170,929,000) and pre-tax profit of HK\$66,068,000 (2014: HK\$71,227,000) with revenue of approximately 53.5% (2014: 50.4%) being accumulated in the first half of the year and approximately 46.5% (2014: 49.6%) being accumulated in the second half of the year.

Capital expenditure

For the year ended 31 December 2015, the Group incurred capital expenditure to increase property, plant and equipment (i) for the operating segment of environmental waste treatment services amounted approximately to HK\$71,398,000 (2014: HK\$74,050,000), (ii) for the operating segment of industrial sewage and sludge treatment and facility provision services in the Eco-plating Specialised Zone amounted approximately to HK\$10,282,000 (2014: HK\$39,702,000), and (iii) for corporate use at the head office in Hong Kong amounted approximately to HK\$2,404,000 (2014: HK\$144,000).

Commitments

At the end of the reporting period, the Group had the following commitments for capital assets:

	31 December 2015 HK\$'000	31 December 2014 HK\$'000
Capital expenditure in respect of property, plant and equipment		
– Contracted for but not provided for	<u>14,113</u>	<u>155,205</u>

Liquidity, financial resources and gearing

For the year ended 31 December 2015, the Group financed its operations with internally generated cash flows, banking facilities, other borrowings and fund raising from new shares subscription. The Group remained stable in its financial position with equity attributable to owners of the Company amounted to HK\$688,853,000 as at 31 December 2015 (31 December 2014: HK\$628,538,000) and total assets amounted to HK\$999,118,000 as at 31 December 2015 (31 December 2014: HK\$933,068,000).

At the end of the reporting period, the Group had:

	31 December 2015 HK\$'000	31 December 2014 HK\$'000
(i) Cash and bank balances	175,805	121,780
(ii) Available unused secured banking facilities	31,040	2,520
(iii) Available unused unsecured banking facilities	50,000	–
(iv) Available unused unsecured loan facility granted by a shareholder	<u>500,000</u>	<u>–</u>

Key performance indicators

The Group monitors its operating performance and cash flows through EBITDA. EBITDA of the Group was HK\$109,330,000 for the year ended 31 December 2015 (2014: HK\$116,175,000).

The Group monitors the proportion of profits that are converted to cash flows through cash conversion rate. The cash conversion rate of the Group being the net cash generated from operating activities as a percentage of the consolidated operating profit was 155% for the year ended 31 December 2015 (2014: 110.7%).

The Group monitors its liquidity through current ratio. The current ratio of the Group representing the ratio of the consolidated current assets to the consolidated current liabilities was 1.4 times as at 31 December 2015 (31 December 2014: 1.3 times).

The Group monitors its capital through gearing ratio. This ratio is calculated as net debt divided by total capital. The net debt is calculated as total liabilities (excluding deferred government grants, income tax payable and deferred taxes) less cash and cash equivalents of the Group shown in the consolidated statement of financial position. Total capital is calculated as the total equity shown in the consolidated statement of financial position plus the aforementioned net debt. The gearing ratio at the end of the reporting period was as follows:

	31 December 2015 HK\$'000	31 December 2014 HK\$'000
Interest-bearing bank borrowings	47,672	42,048
Other interest-bearing borrowings	30,000	48,000
Trade and other payables, accruals and customers' deposits received	122,844	101,103
Total liabilities	200,516	191,151
Less: cash and cash equivalents	175,805	121,780
Net debt	24,711	69,371
Total equity (including non-controlling interests)	759,772	701,253
Total capital	784,483	770,624
Gearing ratio	3.1%	9.0%

Material acquisitions and disposals of subsidiaries and affiliated companies

The 97% owned subsidiary of the Group, Bestwin (China) Limited was duly de-registered in Hong Kong on 8 January 2016.

Save as disclosed therein, there were no other significant investments nor material acquisition and disposal of subsidiaries and affiliated companies of the Company for the year ended 31 December 2015.

Significant investments held and their performance

According to the valuation report prepared by an independent professional valuer, DTZ Debenham Tie Leung Limited (“DTZ”) (2014: Cushman & Wakefield Valuation Advisory Services (HK) Limited, “Cushman & Wakefield”), the fair value attributable to the Group’s interests in the available-for-sale equity investments in Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei as at 31 December 2015 were HK\$38,000,000, HK\$15,400,000 and HK\$23,300,000 (31 December 2014: HK\$54,500,000, HK\$12,200,000 and HK\$18,300,000) respectively. The changes in value of the available-for-sale equity investments for the year end 31 December 2015 were accounted for in investment revaluation reserve of the Company.

Impairment testing on goodwill

As at 31 December 2015, the assessment on the recoverable amount of the Group’s cash generating unit principally engaged in environmental waste treatment services in PRC was determined by referring to the valuation report prepared by the independent professional valuer, DTZ (2014: Cushman & Wakefield), after their review of the cash flows projection covering a five-year period with an annual growth rate at 2% (2014: 2%) of the environmental entities of the Group comprising Zhenjiang New Universe Solid Waste Disposal Company Limited, Yancheng New Universe Solid Waste Disposal Company Limited, and Taizhou New Universe Solid Waste Disposal Company Limited, using the pre-tax discount rate of 15.0% (2014: 16.7%) taken into account of the risks for the industries, no impairment loss to the goodwill was considered necessary for the year end 31 December 2015 (2014: Nil).

Fund raising during the year

The following equity fund raising activity has been carried out by the Company for the year ended 31 December 2015:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
31 March 2015 and 9 April 2015	Issue of 200,000,000 ordinary shares at HK\$0.345 each by way of subscription	Approximately HK\$68,691,000	(i) Approximately 50% of the net proceeds to finance the capital expenditure on enhancement of the waste treatment capacity of the Group; and (ii) approximately 50% of the net proceeds for general working capital and/or for financing investment opportunities.	(i) Approximately HK\$50.7 million had been utilised for the capital injection to subsidiaries to acquire land use rights, to set up engineering company and for construction of new incineration facilities in PRC; and (ii) approximately HK\$18 million had been utilised for repayment of other borrowings of the Company.

Capital structure

On 31 March 2015 (after trading hours), the Company entered into a conditional subscription agreement (the “Subscription Agreement”) with the subscriber, Ms. LIU Yu Jie (the “Subscriber”) in relation to the subscription of 200,000,000 new ordinary shares with an aggregate nominal value of HK\$2,000,000 of the Company (the “New Subscription Share(s)”) at a subscription price of HK\$0.345 per New Subscription Share (a discount of approximately 11.54% to the closing price of HK\$0.390 per share of the Company as quoted on the Stock Exchange on the date of entering into the Subscription Agreement). The completion of the Subscription Agreement took place on 9 April 2015 (the “Completion Date”). At completion, 200,000,000 ordinary shares were allotted and issued to the Subscriber under the general mandate granted to the Directors at the annual general meeting of the Company held on 5 May 2014. The net proceed of the subscription (after deduction of the related expenses) was approximately HK\$68,691,000 and the net price per new share was approximately HK\$0.3435.

Pursuant to the Subscription Agreement, the Subscriber has undertaken to the Company that she will not, directly or indirectly: (i) in respect of 25% of the New Subscription Shares, during the period commencing from the Completion Date and ending on the date which is 12 months from the Completion Date; and (ii) in respect of the remaining 75% of the New Subscription Shares, during the period commencing from the Completion Date and ending on the date which is 36 months from the Completion Date, offer, pledge, charge, sell, dispose (in whatever ways, including through the securities agent) of any of such New Subscription Shares described above.

Details of movements in the share capital of the Company during the years ended 31 December 2015 and 2014 are as follows:

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised		
At 1 January 2014, 2015 and at 31 December 2015	<u>100,000,000</u>	<u>1,000,000</u>
Issued and fully paid		
At 1 January 2014	2,655,697	26,557
Shares issued by way of subscription	<u>100,000</u>	<u>1,000</u>
At 31 December 2014 and at 1 January 2015	2,755,697	27,557
Shares issued by way of subscription	<u>200,000</u>	<u>2,000</u>
At 31 December 2015	<u>2,955,697</u>	<u>29,557</u>

Save as disclosed therein, there was no significant change to the capital structure of the Group as at 31 December 2015 compared to that as at 31 December 2014.

Charges on assets

The Group pledged certain property, plant and equipment and the land use rights with carrying amounts of HK\$47,489,000 (2014: Nil) and HK\$14,515,000 (2014: HK\$6,777,000) respectively to secure banking facilities totally amounted approximately to HK\$128,712,000 as at 31 December 2015 (2014: HK\$44,568,000) which to the extent of HK\$47,672,000 were utilised as bank borrowings as at 31 December 2015 (2014: HK\$42,048,000) granted to the Group.

Contingent liabilities

There were no significant contingent liabilities of the Group as at 31 December 2015 (2014: Nil).

Employee information

As at 31 December 2015, the Group had 395 (2014: 330) full-time employees, of which 21 (2014: 16) were based in Hong Kong, and 374 (2014: 314) in Mainland China. For the year ended 31 December 2015, staff costs, including Directors' remuneration and amount capitalised as inventories, was HK\$46,304,000 (2014: HK\$44,877,000). Employees and Directors were paid in commensurate with the prevailing market standards, with other fringe benefits such as bonus, medical insurance, mandatory provident fund, and continued development and training.

Exposure to fluctuations in exchange rates

The Group mainly operates in the PRC and most of the Group's transactions, assets and liabilities are denominated in RMB. The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against HK\$. Fluctuation of RMB against HK\$ is expected to be moderate, and the Group considers the foreign currency risk exposure is acceptable. The Group will review and monitor its currency exposure from time to time, and when appropriate hedge its currency risk.

The results of the Group's subsidiaries in PRC are translated from RMB into HK\$ at the exchange rates approximating the rates ruling at the dates of the transactions. Statement of financial position items of the Group's subsidiaries in PRC are translated from RMB into HK\$ at the closing rates ruling at the end of the reporting period. For the year ended 31 December 2015, RMB devaluation against the HK\$ resulted in exchange differences on translation from RMB to HK\$ for the financial statements of the PRC subsidiaries amounted approximately to HK\$31,342,000 (2014: HK\$5,245,000), which were recognised in other comprehensive income and accumulated separately in equity in the translation reserve of the Company and did not have any effect to the profit and loss of the Company in current year. The accumulated exchange differences in the translation reserve will be reclassified to profit or loss as when the interests in the relevant PRC subsidiaries being entirely or partially disposed of by the Group.

Principal risks and uncertainties

The following are the principal risks and uncertainties related to the Company's business:

1. The Group is dependent on continuous renewal of operating licenses to be granted by the PRC government. The environmental business of the Group involving in handling hazardous waste in PRC requires operating permission licenses for hazardous waste and operating permission licenses for epidemic medical waste issued by the Environmental Protection Bureau of Jiangsu Province. All subsidiary entities of the Group have to maintain or continuously upgrade their operating standards and waste management standards in order to comply with the environmental policies, standards, and legislations as promulgated by the PRC Government that might be renewed or revised from time to time, or otherwise, there is a risk that the operating permission license(s) of the Group may be suspended or withdrawn.

2. The Group faces competition in the market of hazardous waste collection and disposal in the cities it operates. The Group has to strengthen its waste management standard and financial stability in order to compete with increasing numbers of other entities engaged in treatment of hazardous waste which may have greater financial resources to develop larger scaled waste disposal and recycling facilities and know-how than we do.
3. The impact of economic conditions on local industries in PRC would affect the quantities of hazardous waste discharged and treatment service pricing for the specific market offered by specific client base of the Group for environmental waste treatment. The Group's existing business strategy has been confined to certain specific markets that new strategies would be developed by the Group to strengthen penetration of different geographical markets and thereby to reduce its dependency on specific markets.
4. Lack of appropriately skilled and experienced human resource could result in a delay in achieving the Group's strategic goals and development of new projects. The risk of the loss of key personnel is mitigated by regular reviews of recruitment and retention practices, remuneration packages and succession planning within the management team.
5. The Group faces various financial risks of which the Group monitors the risks through periodical sensitivity analysis.

COMPETING INTERESTS

Ms. LIU Yu Jie was appointed executive Director of the Company with effect from 9 June 2015, who has investments in four companies engaging in the operation of hazardous waste projects in four cities in China, of which she has a controlling stake in one of the four said companies. As the license to operate hazardous wastes in each of the four said cities is exclusive, and the Group does not have any such operations in those cities, the Board considers that the said investments of Ms. LIU Yu Jie do not compete with the interests of the Group.

Save as disclosed therein, the Board is not aware of any Director of the Company who is interested in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business during the report period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2015, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were entered into the register pursuant to section 352 of the SFO, to be entered in the register referred therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

The Company

Long positions in ordinary shares of the Company

Name of Director	Number of ordinary shares of HK\$0.01 each			Number of shares held	% of total shares in issue
	Personal/beneficial interest	Interests of children or spouse	Interests of controlled corporation		
Ms. LIU Yu Jie	202,000,000	–	–	202,000,000	6.83

Associated corporation

Long positions in ordinary shares of New Universe Enterprises Limited (“NUEL”)

Name of Director	Number of ordinary shares of US\$1.00 each of NUEL			Number of shares held	% of total shares in issue
	Personal/beneficial interest	Interests of children or spouse	Interests of controlled corporation		
Ms. CHEUNG Siu Ling*	1,214	1,214	–	2,428	12.14
Mr. SUEN Ki*	840	–	–	840	4.20

* NUEL is beneficially interested in 1,071,823,656 shares of the Company, representing approximately 36.26% of the issued share capital of the Company as at 31 December 2015. Ms. CHEUNG Siu Ling and Mr. SUEN Ki are also directors of NUEL.

Save as disclosed above, as at 31 December 2015, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed herein, at no time during the year was the Company, its subsidiaries, its fellow subsidiaries, its holding company or its other associated corporations a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses or children under the age of 18) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its specified undertaking or other associated corporations.

INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2015, so far as is known to any director or the chief executive of the Company, the interests or short positions of any person, other than a director or the chief executive of the Company, in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of shareholder	Number of ordinary shares of HK\$0.01 each			Number of shares held	% of total shares in issue
	Beneficial owner	Family interest	Interest of corporation		
NUEL (i) CM International Capital Limited	1,071,823,656	-	-	1,071,823,656	36.26
(“CMIC Cayman”) (ii) CM International Capital Limited	800,000,000	-	-	800,000,000	27.07
(中國國際資本有限公司) (“CMIC Hong Kong”) (ii) China Minsheng Investment Corp. Limited.	-	-	800,000,000	800,000,000	27.07
(中國民生投資股份有限公司) (ii) Ms. LIU Yu Jie	-	-	800,000,000	800,000,000	27.07
	202,000,000	-	-	202,000,000	6.83

Notes:

- (i) NUEL is the beneficial owner of the 1,071,823,656 issued ordinary shares of the Company. NUEL is beneficially owned as to 83.66% by Mr. XI Yu.
- (ii) CMIC Cayman is the beneficial owner of the 800,000,000 issued ordinary shares of the Company. CMIC Cayman is 100% directly owned by CMIC Hong Kong. CMIC Hong Kong is 100% directly owned by China Minsheng Investment Corporation Limited (中國民生投資股份有限公司).

Save as disclosed above, as at 31 December 2015, the Directors of the Company were not aware of any other person who had an interest or short position in the shares and underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The old share option scheme of the Company adopted on 10 December 2003 has expired on 9 December 2013. As at 31 December 2015, no option was granted or was outstanding under the old share option scheme.

The Company has a new share option scheme which was adopted by the Company's shareholders at the general meeting held on 5 May 2015 ("New Share Option Scheme"). The purpose of the New Share Option Scheme is to reward the participants who have contributed to the Group and/or to provide incentives to the participants to work towards the success of the Company. The total number of shares of the Company which might 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 at the annual general meeting on 5 May 2015 ("Scheme Mandate Limit") unless the Company obtains an approval by its shareholders at its general meeting to refresh the Scheme Mandate Limit. Further, the maximum number of shares of the Company which might 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 the Company's shares in issue from time to time. Based on the issued share capital of 2,955,697,018 shares of the Company as at 5 May 2015, the Scheme Mandate Limit was 295,569,701 shares of the Company.

As at 31 December 2015, no option was granted or was outstanding under the New Share Option Scheme.

RELATED PARTY TRANSACTIONS

(a) List of related parties

For the years ended 31 December 2015 and 2014, the Directors are of the view that the following entities and persons are related parties to the Group:

Name of the related party	Relationship
NUEL	A shareholder interested in 36.26% of the issued share capital of the Company, and the Company's Directors, Ms. CHEUNG Siu Ling and Mr. SUEN Ki are also the directors of NUEL.
CMIC Cayman	A shareholder interested in 27.07% of the issued share capital of the Company, and the Company's Director, Mr. LIAO Feng is also the director of CMIC Cayman.
Sun Ngai International Investment Limited ("Sun Ngai")	100% owned subsidiary of New Universe Holdings Limited ("NUHL"), and the Company's Director, Ms. CHEUNG Siu Ling is also the director of NUHL and Sun Ngai.
Mr. XI Yu	A shareholder of NUEL who is interested in 83.66% of the issued share capital of NUEL.
Zhenjiang New District Solid Waste Disposal Limited* 鎮江新區固廢處置股份有限公司("Zhenjiang New District")	An associate of the Group, in which the Company holds 24.6% effective equity interest.

* For identification purposes only

(b) Transactions with related parties

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Recurring transactions			
Rental expenses			
– Sun Ngai	(i)	600	486
Consultancy fees			–
– Mr. XI Yu	(ii)	144	48
Charges on hazardous waste landfill disposal			
– Zhenjiang New District	(iii)	920	4,157

Notes:

- (i) Rental expenses were charged by Sun Ngai for leasing office premises of the Group in Hong Kong. The leases runs for a period of one year and the monthly rent was determined in commensurate with the market rate.
- (ii) The Company has appointed Mr. XI Yu as a consultant to the Group commencing 22 August 2014, and the appointment has been renewed on three monthly basis.
- (iii) The charges on hazardous waste landfill disposal paid to Zhenjiang New District was made according to the contracted prices and conditions and subject to the compliance with the relevant administrative requirements promulgated by the National Pricing Bureau in PRC.

The Directors of the Company are of the opinion that the above related parties transactions were conducted on normal commercial terms and were priced with reference to prevailing market prices, and in the ordinary course of business of the Group.

(c) Guarantees

- (i) As at 31 December 2015, the Group's bank borrowings of HK\$4,900,000 (2014: HK\$7,700,000) were secured by personal guarantee provided by Ms. CHEUNG Siu Ling, the executive Director of the Company. After the end of the reporting period, the bank borrowings have been fully repaid and settled on 14 March 2016.
- (ii) As at 31 December 2015, the Group's bank borrowings of HK\$4,900,000 (2014: HK\$7,700,000) were secured by personal guarantee provided by Mr. SUEN Ki, the non-executive Director of the Company. After the end of the reporting period, the bank borrowings have been fully repaid and settled on 14 March 2016.

(d) Arrangement on standby loan facility

On 14 July 2015, the Company accepted and agreed to a commitment letter issued by CMIC Cayman for a standby loan facility in the amount of HK\$500,000,000 bearing interest at 7% per annum which shall be used for the new establishment(s) or mergers and acquisitions of environmental related projects of the Company.

(e) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Directors of the Company is presented as follows:

	2015	2014
	HK\$'000	HK\$'000
Salaries and other benefits	7,530	7,432
Retirement scheme contributions	86	80
Discretionary bonuses	4,411	4,900
	<u>12,027</u>	<u>12,412</u>

CONNECTED TRANSACTIONS

Mr. XI Yu has been appointed as a consultant to the Group commencing 22 August 2014 with terms renewed on quarterly basis. The Company has paid consultant fees to Mr. XI Yu totally amounted to HK\$144,000 for the year ended 31 December 2015. Mr. XI Yu is beneficially interested in approximately 83.66% of the issued share capital of NUEL, which in turn is currently interested in 36.26% of the issued share capital of the Company. As such, Mr. XI Yu is a connected person of the Company for the purposes of Chapter 20 of the GEM Listing Rules. Although the engagement of Mr. XI Yu constitutes a continuing connected transaction of the Company, his remuneration package is below the de minimis threshold provided in Rule 20.74(1) of the GEM Listing Rules, which is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements.

Save as disclosed therein, there was no significant connected transactions of the Group (defined under the GEM Listing Rules) which were discloseable in the reporting period or any time during the year ended 31 December 2015.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

As at 31 December 2015 or any time during the year, transactions, arrangements, or contracts subsisted, of which certain Directors had interests that were deemed significant to the business of the Group are set out as follows:

1. Each of the Directors, Ms. CHEUNG Siu Ling and Mr. SUEN Ki, has provided personal guarantees in favour of The Hongkong and Shanghai Banking Corporation Limited up to a limit of HK\$12,000,000 for the banking facilities granted to New Universe Environmental Technologies (Jiang Su) Limited ("NUET(JS)", an indirectly 82% owned subsidiary of the Company). As at 31 December 2015, the outstanding loan of NUET(JS) guaranteed by Ms. CHEUNG Siu Ling and Mr. SUEN Ki was HK\$4,900,000. After the end of the reporting period, the bank loan has been fully repaid and settled on 14 March 2016.
2. Director, Ms. CHEUNG Siu Ling is also the director of the landlord, Sun Ngai International Investment Limited to the tenancy agreement entered into by Smartech Services Limited ("Smartech Services", an indirectly 100% owned subsidiary of the Company) as tenant, pursuant to which, Smartech Services has leased two office units as headquarter of the Company in Hong Kong at Rooms 2109 and 2110, Telford House, 16 Wang Hoi Road, Kowloon Bay, Hong Kong at a monthly rental of HK\$50,000 for the term from 1 August 2015 to 31 July 2016.
3. Director, Mr. LIAO Feng is also a director of CMIC Cayman. CMIC Cayman is a shareholder currently interested in 27.07% of the issued share capital of the Company. On 14 July 2015, the Company accepted and agreed to a commitment letter issued by CMIC Cayman in relation to a standby loan facility amounted to HK\$500,000,000 bearing interest at 7% per annum for the purposes of the new establishment(s) or mergers and acquisitions of environmental related projects of the Company.

The above transactions were conducted on terms no less favourable than terms available from independent third parties which were in the ordinary course of business of the Group.

Save as disclosed therein, no transaction, arrangement or contract of significance to which the Company, any of its holding company, subsidiaries, or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or any time during that period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this announcement, the Company has maintained the prescribed public floats under the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's listed securities during the year ended 31 December 2015.

CORPORATE GOVERNANCE PRACTICES

During the financial year ended 31 December 2015, the Company has complied with the code provisions of Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules ("CG Code"), but save for the code provision A.2.1, the Directors confirmed that they were not aware of any other deviation from the CG Code during the year then ended.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As a result of the appointment of Mr. SONG Yu Qing ("Mr. SONG") as chairman of the board ("Chairman") of the Company with effect from 18 August 2014, Mr. SONG has assumed the role of both the Chairman and the Chief Executive Officer. As such, such dual role constitutes a deviation from code provision A.2.1 of the CG Code.

The Board considers that: (i) the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and CEO; (ii) Mr. SONG as the Chairman and CEO is fully accountable to the shareholders of the Company and contributes to the Board and the Group on all top level and strategic decisions and is responsible for ensuring that all Directors act in the best interests of the Shareholders; and (iii) this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board believes that vesting the role of both Chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and will enable the Company to make and implement decisions promptly and effectively. However, the Board will continue to review and consider splitting the role of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate.

DIRECTORS' SECURITIES TRANSACTIONS

During the year ended 31 December 2015, the Company has applied the principles of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules ("Required Standard of Dealings").

Having made specific enquiry of all Directors of the Company, the Directors confirmed that they have complied with and they were not aware of any non-compliance with the Required Standard of Dealing during the year ended 31 December 2015.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all of the independent non-executive Directors to be independent.

Each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred has served as the Company's independent non-executive Director for more than 9 years. Pursuant to the Code Provision A.4.3 set out in the Appendix 15 of the GEM Listing Rules, the further appointment of each of them should be subject to a separate resolution to be approved by the shareholders at the forthcoming annual general meeting. The Board considers each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred is independent and proposes each of them to be re-elected at the forthcoming annual general meeting.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors of the Company, Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred, has reviewed with the management the audited consolidated financial statements of the Company for the year ended 31 December 2015.

INDEPENDENT REVIEW

This preliminary announcement of the Company's consolidated results for the year ended 31 December 2015 has been agreed with and reviewed by the Company's independent auditor, Crowe Horwath (HK) CPA Limited, as required by Rule 18.49 of the GEM Listing Rules.

PROPOSED FINAL DIVIDEND

The Board of Directors of the Company recommends the payment of a final dividend of HK\$0.0050 per share at a payout ratio of approximately 33.3% of the profit attributable to the owners of the Company for the year ended 31 December 2015, which is subject to the approval of the shareholders at the forthcoming annual general meeting. Upon shareholders' approval, the final dividend is expected to be payable on or about 29 July 2016 to shareholders whose names appear on the register of members on 18 May 2016.

CLOSURE OF REGISTER OF MEMBERS

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 Friday, 6 May 2016. 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 Thursday, 5 May 2016.

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 Friday, 13 May 2016 to Wednesday, 18 May 2016, 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 Thursday, 12 May 2016.

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

Hong Kong, 18 March 2016

As of the date of this announcement, the Board comprises the following Directors:

Mr. SONG Yu Qing	<i>(Executive Director, Chief Executive Officer and Chairman)</i>
Ms. CHEUNG Siu Ling	<i>(Executive Director)</i>
Mr. LIAO Feng	<i>(Executive Director)</i>
Ms. LIU Yu Jie	<i>(Executive Director)</i>
Mr. HON Wa Fai	<i>(Executive Director)</i>
Mr. SUEN Ki	<i>(Non-executive Director)</i>
Dr. CHAN Yan Cheong	<i>(Independent Non-executive Director)</i>
Mr. YUEN Kim Hung, Michael	<i>(Independent Non-executive Director)</i>
Mr. HO Yau Hong, Alfred	<i>(Independent Non-executive Director)</i>

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