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New Universe Environmental Group Limited

新宇環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 436)

(Stock Code on GEM: 8068)

TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Financial Adviser to the Company



金融有限公司
OCTAL Capital Limited

Reference is made to the announcement of the Company dated 12 April 2016 in relation to the Transfer of Listing. On 13 April 2016, an application was made by the Company to the Stock Exchange for the transfer of listing of the Shares from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in (i) the 2,955,697,018 Shares in issue, and (ii) 275,569,701 new Shares, being the maximum number of new Shares which may fall to be issued upon the exercise of all options which may be granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board is pleased to announce that the approval-in-principle for the Transfer of Listing was granted by the Stock Exchange on 21 July 2016 for the Shares to be listed on the Main Board and de-listed from GEM. The last day of dealings in the Shares on GEM (Stock Code: 8068) will be 29 July 2016. Dealings in the Shares on the Main Board (Stock Code: 436) will commence at 9:00 a.m. on 1 August 2016.

All pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

Reference is made to the announcement of the Company dated 12 April 2016 in relation to the Transfer of Listing.

TRANSFER OF LISTING

On 13 April 2016, an application was made by the Company to the Stock Exchange for the transfer of listing of the Shares from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in (i) the 2,955,697,018 Shares in issue and (ii) 275,569,701 new Shares, being the maximum number of new Shares which may fall to be issued upon the exercise of all options which may be granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board is pleased to announce that the approval-in-principle for the Transfer of Listing was granted by the Stock Exchange on 21 July 2016 for the Shares to be listed on the Main Board and de-listed from GEM.

COMPLIANCE WITH THE LISTING RULES

All pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed on 18 May 2000. The Group is principally engaged in (a) environmental waste treatment services; (b) industrial sewage treatment and facilities provision services in an eco-plating specialised zone in the Jiangsu Province, the PRC (the “**Zone**”); and (c) investments in plastic materials dyeing operations.

The Board believes that the Transfer of Listing will enhance the profile of the Company and increase the trading liquidity of the Shares. The Board considers that the Transfer of Listing will be beneficial to the future growth and business development of the Group as well as its financing flexibility. As at the date of this announcement, there was no intention of the Board to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve issue of any new Shares by the Company.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS since 18 May 2000, the date on which the Shares were first listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock Code: 8068) will be 29 July 2016. Dealing in the Shares on the Main Board (Stock Code: 436) will commence at 9:00 a.m. on 1 August 2016.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes, and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot size of 20,000 Shares each and are traded in Hong Kong dollars. The principal share registrar and transfer office of the Company is Codan Trust Company (Cayman) Limited and the branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited. No change will be made to the Chinese and English stock short names of the Company, the existing share certificates, board lot size, trading currency and share registrars of the Shares in connection with the Transfer of Listing.

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 5 May 2015, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. As at the date of this announcement, no option has been granted or outstanding under the Share Option Scheme. The total number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 275,569,701 Shares.

The Share Option Scheme will remain valid and effective following the Transfer of Listing to the Main Board and will be implemented in full compliance with the requirements under Chapter 17 of the Listing Rules. Following the Transfer of Listing, (i) the Shares issued and to be issued upon exercise of share options, which may be granted under the Share Option Scheme; and (ii) the Shares to be issued upon exercise of share options, which have been granted pursuant to the Share Option Scheme, will be listed on the Main Board.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 6 May 2016 will continue to be valid and remain in effect until 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 or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing the authority given to the Directors by the relevant resolution.

COMPETING INTERESTS

As disclosed in the announcement of the Company dated 9 June 2015, Ms. LIU Yu Jie, an executive Director, has investments in four companies engaging in the operation of hazardous wastes projects in four cities in the PRC, of which she has a controlling stake in one of the four said companies. As the licence to operate hazardous wastes in each of the four 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 the above, as at the date of this announcement, none of the Directors or controlling shareholders or their respective associates has any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09(10) of the Listing Rules.

PUBLIC FLOAT

The Directors confirm that approximately 29.84% of the total issued share capital of the Company is held by the public (as defined in the Listing Rules) as at the Latest Practicable Date. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Listing Rules.

Save for the 2,955,697,018 Shares in issue, the Company does not have any other options, warrants or similar rights or convertible equity securities in issue as at the Latest Practicable Date.

FINANCIAL INDEPENDENCE

The Group has an independent financial system and makes financial decisions according to its own business needs. There have no financial assistance, guarantee and/or security provided by the controlling shareholders and their respective associates for the Group as at the date of this announcement. The Directors believe that the Company is capable of obtaining financing from third parties without reliance on its controlling shareholders.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company discloses below the biographical information of each Director and senior management of the Company:

EXECUTIVE DIRECTORS

XI Yu (“Mr. XI”, aged 58)

Chairman of the Board

Mr. XI was appointed as executive Director on 11 April 2016, and nominated as the Chairman of the Board on the same date. He is also the chairman of the executive committee of the Board.

Mr. XI was an executive Director from 7 June 2002 to 18 August 2014, and was the Chairman of the Board, compliance officer and authorised representative of the Company from 9 December 2004 to 18 August 2014. He was the consultant to the Group from 22 August 2014 to 31 March 2016. During his tenure as Director and Chairman of the Board, Mr. XI was instrumental to the strategic planning and long-term development of the Group.

He leads the Company's Board for corporate strategic planning and long-term development of the Group. He has substantial experience in the chemical industry, plastics industry and environmental industry. He graduated from the Chemistry Department of the University of Beijing in July 1980. Mr. XI is the director and shareholder holding 83.66% equity interests in NUEL, which holds 1,071,823,656 Shares, representing approximately 36.26% of the issued share capital of the Company as at the Latest Practicable Date. Mr. XI is also the director of China (HK) Chemical & Plastics Company Limited, which is principally engaged in trading of plastic resins, and its holding company, New Universe Holdings Limited.

The Company has entered into a letter of appointment with Mr. XI. The appointment of Mr. XI as executive Director is for an initial term of two years commenced from 11 April 2016 and his appointment as executive Director is subject to retirement by rotation and re-election pursuant to the Articles. Pursuant to the terms of the letter of appointment, Mr. XI is currently entitled to receive a remuneration in an aggregate of approximately HK\$1,500,000 per annum, which is determined with reference to the duties and responsibilities of executive Directors as reviewed by the remuneration committee of the Company and the prevailing market condition.

As at the Latest Practicable Date, the interests of Mr. XI in the Shares and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO follows:

The Company

Long positions in ordinary Shares

Name of Director	Number of ordinary shares of HK\$0.01 each			% of total shares in issue
	Personal/beneficial interest	Interests of controlled corporation	Number of Shares held	
Mr. XI	–	1,071,823,656	1,071,823,656	36.26

Associated corporation

Long positions in ordinary shares of NUEL

Name of Director	Number of ordinary shares of US\$1.00 each of NUEL			% of total shares in issue
	Personal/ beneficial interest	Interests of controlled corporation	Number of Shares held	
Mr. XI	16,732	–	16,732	83.66

As disclosed in the announcement of the Company dated 8 April 2015, NUEL entered into a sale and purchase agreement with CM International Capital Limited for the sale and purchase of a total of 800,000,000 Shares beneficially held by NUEL and completed the transfer on 8 April 2015. The net proceeds from the sale of the 800,000,000 Shares has been applied to settle (i) the judgment sums (including costs and expenses) payable to the ex-spouse of Mr. XI in connection with the matrimonial proceedings between her and Mr. XI, which details were disclosed in the announcement of the Company dated 16 April 2014; and (ii) the debts owed to the creditors of NUEL, which details were disclosed in the announcement of the Company dated 14 July 2014.

SONG Yu Qing (“Mr. SONG”, aged 67)

Chief Executive Officer

Mr. SONG was appointed as vice-chairman of the Board and non-executive Director on 15 June 2010, and was re-designated as executive Director and the chief executive officer of the Company on 12 June 2012. He is a member of the executive committee of the Board. Mr. SONG was the Chairman of the Board and the chairman of the executive committee of the Board from 18 August 2014 to 11 April 2016.

He is responsible for formulating business strategies and driving the Group toward further development. Mr. SONG was the vice chairman and chief executive officer of Sinofert Holdings Limited (stock code: 297) (a company whose shares are listed on the Main Board of the Stock Exchange) since August 2001, then resigned as chief executive officer and was redesignated as non-executive director in July 2005, and then remained as vice chairman and non-executive director until November 2009. He has substantial experience in the chemical industry and real estate development, and has substantial experience in corporate and strategic planning functions.

Mr. SONG has entered into a Director’s service agreement with the Company and his appointment as executive Director is subject to retirement by rotation in accordance with the Articles. Mr. SONG is currently entitled to receive emoluments in aggregate of approximately HK\$617,000 per annum, which is determined with reference to the duties and responsibilities of executive Directors as reviewed by the remuneration committee of the Company and the prevailing market condition.

CHEUNG Siu Ling (“Ms. CHEUNG”, aged 54)
Compliance Officer, and Authorised Representative

Ms. CHEUNG was appointed as executive Director on 1 April 2005. On 18 August 2014, Ms. CHEUNG was appointed as the authorised representative, the compliance officer and the process agent of the Company. She is a member of the executive committee of the Board. Ms. CHEUNG is the director of various subsidiaries of the Group and is the supervisor of the subsidiary, Suqian New Universe Solid Waste Disposal Company Limited. She obtained a Master of Business Administration degree from the University of South Australia in September 2005. Ms. CHEUNG is also the director and shareholder of NUEL. She has been the director of China (HK) Chemical & Plastics Company Limited since January 1992 and the director of its holding company, New Universe Holdings Limited since July 1995.

Ms. CHEUNG has entered into a letter of appointment with the Company for a term of 2 years commenced from 1 January 2015, and her office as executive Director is subject to retirement by rotation in accordance with the Articles. Ms. CHEUNG currently does not receive any remuneration in the capacity as Director, nor as director or supervisor of the subsidiaries of the Group, except that she has received a total annual fee of RMB5,000 (equivalent to approximately HK\$6,000) for having acted as the director of the subsidiaries, Xiangshui New Universe Environmental Technology Limited and Yancheng NUHF Environmental Technology Limited* before she resigned as directors of these two subsidiaries on 6 May 2015 and 12 May 2015 respectively.

As at the Latest Practicable Date, the interests of Ms. CHEUNG in the Shares and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO follows:

Associated corporation

Long positions in ordinary shares of 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	1,214	1,214	–	2,428	12.14

LIAO Feng (“Mr. LIAO”, aged 44)

Mr. LIAO was appointed as executive Director on 5 May 2015. He is a member of the executive committee of the Board. Mr. LIAO obtained a Master of Applied Finance degree from Macquarie University, Australia in April 2000. Mr. LIAO has worked at China Minsheng Banking Corporation Limited since February 2004 and then served as the deputy general manager of the corporate banking department at its main branch in Beijing till September 2014. Mr. LIAO has worked at China Minsheng Investment Corporation Limited (中國民生投資股份有限公司) since October 2014. He is currently an executive vice-president of China Minsheng Investment Corporation Limited and the chief executive officer of CM International Holding Pte. Ltd. Mr. LIAO is also a director of CM International Capital Limited (a Shareholder currently interested in 27.07% of the Shares in issue).

Mr. LIAO has entered into a letter of appointment with the Company for a term of 2 years commenced from 5 May 2015 and his appointment as executive Director is subject to retirement by rotation in accordance with the Articles. Mr. LIAO currently does not receive any remuneration in the capacity as Director.

LIU Yu Jie (“Ms. LIU”, aged 51)

Ms. LIU was appointed as executive Director on 9 June 2015. She is a member of the executive committee of the Board. Ms. LIU obtained a Bachelor of Economics degree in Foreign Trade from the Dongbei University of Finance and Economics, the PRC in July 1987 and a Postgraduate Diploma in International Trade from the University of International Business and Economics, the PRC in June 1990. Ms. LIU served as executive director of SIIC Environment Holdings Limited (stock code: BHK) (a company whose shares are listed on the Singapore Exchange) from November 2009 to August 2014. Ms. LIU is also currently an executive director of China Water Affairs Group Limited (stock code: 855) (a company whose shares are listed on the Main Board of the Stock Exchange).

Ms. LIU has entered into a letter of appointment with the Company for a term of 2 years commenced from 9 June 2015, and her appointment as executive Director is subject to retirement by rotation in accordance with the Articles. Ms. LIU currently does not receive any remuneration in the capacity as Director.

As at the Latest Practicable Date, the interests of Ms. LIU in the Shares and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO follows:

The Company

Long positions in ordinary Shares

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

HON Wa Fai (“Mr. HON”, aged 55)

Financial Controller, Company Secretary, and Authorised Representative

Mr. HON was appointed to the Group as financial controller on 6 September 2004. He was appointed as the qualified accountant, company secretary and authorised representative of the Company on 6 October 2004, and appointed as executive Director on 28 September 2006. He is a member of the executive committee of the Board. Mr. HON obtained a Master of Business Administration degree from the University of Strathclyde, United Kingdom in November 2002, a Master of Professional Accounting degree from the Hong Kong Polytechnic University in November 2001, and a Master of Applied Finance degree from the University of Western Sydney, Australia in August 1999. He was registered as a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants (formerly named as Hong Kong Society of Accountants) in April 1994 and admitted as a Fellow in December 2002, and he has been a registered practising Certified Public Accountant in Hong Kong since November 1996. He was admitted as an Associate of the Association of Chartered Certified Accountants in May 1994 and admitted as a Fellow in May 1999. He was admitted as a Senior Associate of the Financial Services Institute of Australasia in June 1999; an Associate of the Hong Kong Institute of Chartered Secretaries (formerly named as Hong Kong Institute of Company Secretaries) and an Associate of the Institute of Chartered Secretaries and Administrators, United Kingdom in September 2000.

Mr. HON is also the director of the subsidiary of the Company, New Universe International Group Limited (formerly known as New Universe Environmental Engineering Management Limited). Mr. HON does not receive any remuneration in the capacity as Director nor as director of the subsidiary of the Group. His appointment as executive Director is subject to retirement by rotation and re-election in accordance with the Articles. However, Mr. HON has entered into a service agreement in relation to his appointment as the financial controller of the Group from 6 September 2004 with the Company’s wholly owned subsidiary, Smartech Services Limited, whereupon he is currently entitled to receive remuneration of HK\$999,000 per annum. Such remuneration is determined with reference to the duties and responsibilities of acting as the Director, Company Secretary, financial controller of the Group, and director of the Company’s subsidiary as approved by the remuneration committee of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHAN Yan Cheong (“Dr. CHAN”, aged 62)

Dr. CHAN was appointed as independent non-executive Director on 1 February 2000 and was appointed as the chairman of audit committee of the Board. He is a member of the remuneration committee and nomination committee of the Board. Dr. CHAN joined City University of Hong Kong in February 1991 and has been awarded Chair Professorship since July 2001. He is currently a director of the EPA Centre in the Department of Electronic Engineering of City University of Hong Kong. Dr. CHAN obtained a Bachelor of Science degree in Electrical Engineering in August 1977, a Master of Science degree in Materials Science in December 1978, and a Doctor of Philosophy degree in Electrical Engineering in July 1983, all from Imperial College of Science and Technology, University of London, United Kingdom. He obtained a Master of Business Administration degree from the University of Hong Kong in December 1989. Dr. CHAN was admitted as a Fellow of the Institute of Electrical and Electronic Engineers, INC (USA) in January 2004 and a Chartered Electrical Engineer of the Institution of Engineering & Technology (United Kingdom) in February 1988. His research interests include RoHS & WEEE research, green electronics manufacturing, failure analysis, and reliability engineering.

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

YUEN Kim Hung, Michael (“Mr. YUEN”, aged 54)

Mr. YUEN was appointed as independent non-executive Director on 24 April 2002 and was appointed as the chairman of nomination committee of the Board on 19 March 2012. He is a member of the remuneration committee and audit committee of the Board. Mr. YUEN is currently providing accounting, secretarial and taxation services in Hong Kong. Mr. YUEN obtained a Professional Diploma in Accountancy from the Hong Kong Polytechnic University in November 1983. He was admitted as an Associate Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants in September 1988, a Fellow of the Chartered Association of Certified Accountants in October 1991, and a chartered professional accountant member of the Chartered Professional Accountants of British Columbia, Canada in June 2015. Mr. YUEN has been an independent non-executive director of Prosperity International Holdings (H.K.) Ltd (stock code: 803) (a company whose shares are listed on the Main Board of the Stock Exchange) since January 2002 and the independent non-executive director of Steed Oriental (Holdings) Company Limited (stock code: 8277) (a company whose shares are listed on the GEM of the Stock Exchange) since September 2013. He was formerly an independent non-executive director of Prosperity Minerals Holdings Limited (a company whose shares had previously been listed in the London Stock Exchange) from May 2006 to September 2014.

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

HO Yau Hong, Alfred (“Mr. HO”, aged 58)

Mr. HO was appointed as independent non-executive Director on 30 September 2004 and was appointed as the chairman of the remuneration committee of the Board on 19 March 2012. He is a member of the audit committee and nomination committee of the Board. Mr. HO is currently practising in Hong Kong with his own accounting firm. He has been a part-time lecturer in taxation and accounting at the Hong Kong Shue Yan University from September 2014 to May 2016. He was also appointed as a facilitator for the Qualification Program of the Hong Kong Institute of Certified Public Accountants in taxation launched in October 2001. He was a part-time professor in accounting and auditing at Algonquin College, Ottawa, Canada from September 1990 to April 1995; and a part-time tutor in taxation at the Open University of Hong Kong from

March 2006 to September 2007. Mr. HO obtained a Bachelor of Commerce (Honours) degree from University of Windsor, Windsor, Canada in September 1984. Mr. HO was admitted as a Canadian Chartered Accountant in December 1988, a Fellow Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants in September 1997, and a Fellow of the Taxation Institute of Hong Kong in April 2001. Mr. HO was a finance director of Sinosoft Technology PLC (a company whose shares had previously been listed on the London Stock Exchange) from October 2007 to April 2009.

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

None of the Directors has any written service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Save as disclosed above, none of the Directors (i) has held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) as at the date of this announcement, has any interest in the Shares which required to be disclosed under Part XV of the SFO; and (iii) has any relationship with any other directors, senior management, substantial shareholders or controlling shareholders.

Save as disclosed above, there is no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and the Board is not aware of any other matter that needs to be brought to the attention of the Shareholders in relation to their directorships.

SENIOR MANAGEMENT

CHENG Ming Tsung (“Mr. CHENG”, aged 59)

Chief Operating Officer

Mr. CHENG was appointed as Chief Operating Officer of the Company in 4 January 2016. Mr. CHENG was formerly the deputy general manager of the technology department of General Water of China Company Limited for the period from December 2006 to February 2011 and was formerly the director of the environmental department of C&G Environmental Protection (Hong Kong) Limited (a Hong Kong company whose parent company is listed in the Singapore Exchange) for the period from February 2014 to December 2015. Mr. CHENG has worked as a senior manager at the technology and operation department of the Taiwan Ship Tank Cleaning Company Limited (台灣船舶清艙股份有限公司) from March 1986 to December 1992 and in four other companies (inclusive of the aforementioned companies) which were engaged in environmental related operations and environmental technology development business from March 1993 to December 2015 before being appointed by the Company. Mr. CHENG obtained a Master’s degree of Science in Environmental Engineering from Newark College of Engineering, New Jersey Institute of Technology, United States in June 1984.

WONG Lai Wa (“Ms. Iris WONG”, aged 45)

Deputy General Manager

Supervisor of Zhenjiang Sinotech Eco-electroplating Development Limited

Supervisor of Zhenjiang New Universe Solid Waste Disposal Company Limited

Ms. Iris WONG was appointed as deputy general manager of the Company in June 2007. She was formerly an accountant of New Universe Holdings Limited from April 2003 to September 2008. She is the supervisor of the major subsidiaries of the Group in the PRC. Ms. Iris WONG obtained a Diploma in Business Management from the Chinese University of Hong Kong in October 2005.

WONG Mui Kwai, Portia (“Ms. Portia WONG”, aged 51)

Corporate Strategic Planning & Audit Manager

Supervisor of Xiangshui New Universe Environmental Technology Limited

Supervisor of Yancheng NUHF Environmental Technology Limited

Ms. Portia WONG was appointed as corporate strategic planning & audit manager of the Company in July 2012. She was formerly a deputy general manager of the Company from June 2002 to June 2005. She is the supervisor of the major subsidiaries of the Group in the PRC. Ms. Portia WONG obtained a Bachelor’s degree of Arts in Accountancy in November 2001 and a Postgraduate Diploma in Corporate Administration from the Hong Kong Polytechnic University in December 2005. She was registered as a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants in October 2007, and was admitted as a fellow member of the Association of Chartered Certified Accountants in May 2012. She was admitted as an Associate of the Hong Kong Institute of Chartered Secretaries (formerly named Hong Kong Institute of Company Secretaries) in April 2005 and the Institute of Chartered Secretaries and Administrators, United Kingdom in March 2005.

LIU Yuan (“Ms. LIU”, aged 45)

Director & General Manager of Zhenjiang New Universe Solid Waste Disposal Company Limited

Director of Zhenjiang New Universe Rubber Limited

Director of Jiangsu New Universe Environmental Engineering Management Limited

Ms. LIU was appointed in January 2009 as director and general manager of the Group’s subsidiary, Zhenjiang New Universe Solid Waste Disposal Company Limited. Ms. LIU was appointed as finance manager of Zhenjiang New Universe Solid Waste Disposal Company Limited in April 2003 and was promoted to deputy general manager in September 2005 before being appointed as the general manager. Ms. LIU graduated from Nanjing College of Economics (now renamed as Nanjing University of Finance and Economics) with a Professional Certificate in Accounting and Statistics in June 1998, and she was conferred the title of intermediate accountant in the PRC in May 2001.

ZHOU Bin (“Mr. ZHOU”, aged 56)

General Manager of Zhenjiang Sinotech Eco-Electroplating Development Limited

Mr. ZHOU was appointed in October 2014 as general manager of the Group’s subsidiary, Zhenjiang Sinotech Eco-Electroplating Development Limited. He has worked as a general manager at Shenzhen Hong Tong Supply Chain Company Limited (深圳市宏通供應鏈股份有限公司) from May 2012 to June 2013 and in three other companies engaged in property development and related operations from March 2003 to April 2014 before being appointed by the Group, and he mainly worked on the project management in those companies. Mr. ZHOU graduated from the Party School of CPC Jiangsu Provincial Committee in the undergraduate study of public administration in July 1992.

YANG Lin (“Mr. YANG”, aged 49)

General Manager of Xiangshui New Universe Environmental Technology Limited

Mr. YANG was appointed in July 2012 as general manager of the Group’s subsidiary, Xiangshui New Universe Environmental Technology Limited. He worked as the deputy institute director at Institute of Yancheng Environmental Science Search (鹽城市環境科學研究所) from July 1987 to December 2002 and in two other companies engaged in environmental related operations and environmental search from January 2003 to September 2007 before being appointed by the Group, and he mainly worked on the environmental technology search and development. Mr. YANG obtained a Master’s degree in Environmental Engineering from Nanjing University, China in June 2013, and he was conferred the title of immediate engineer specialised in environmental protection in the PRC in October 2006.

LI Qi (“Mr. LI”, aged 52)

Director & Deputy General Manager of Yancheng NUHF Environmental Technology Limited

Director of Xiangshui New Universe Environmental Technology Limited

Mr. LI was appointed in September 2014 as deputy general manager of the Group’s subsidiary, Yancheng NUHF Environmental Technology Limited, and was appointed as director of Yancheng NUHF Environmental Technology Limited and Xiangshui New Universe Environmental Technology Limited in May 2015. Mr. LI has worked as a factory manager at Beijing Yanshan Petrochemical Company Limited from 1984 to 2002 and in three other companies engaged in project and technology development and environmental related operations from 2003 to 2007 before being appointed by the Group, and he mainly worked on corporate administration. Mr. LI obtained a Master’s degree in Business Management from Beijing Institute of Technology, the PRC in September 1997, and he was conferred the title of engineer specialised in chemical engineering in the PRC in October 1998.

QUARTERLY REPORTING OF FINANCIAL RESULTS

Upon the Transfer of Listing, the Company will cease the practice of quarterly reporting of financial results and will follow the relevant requirements of the Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year ends, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Listing Rules.

FINANCIAL INFORMATION

The table below sets forth the selected information of the Group's audited consolidated financial statement for the three years ended 31 December 2015 and the Group's unaudited financial information for the three months ended 31 March 2016:

	For the year ended 31 December			For the three months ended 31 March	
	2013 HK\$'000 (audited)	2014 HK\$'000 (audited)	2015 HK\$'000 (audited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue					
– Environmental waste treatment services	131,623	170,929	184,702	48,346	50,034
– Industrial sewage treatment and facility provision services in the Zone	59,044	82,582	96,661	22,350	23,622
	<u>190,667</u>	<u>253,511</u>	<u>281,363</u>	<u>70,696</u>	<u>73,656</u>
Gross profit margin					
– Environmental waste treatment services	56.4%	56.6%	52.1%	62.1%	56.7%
– Industrial sewage treatment and facility provision services in the Zone	28.4%	20.9%	26.2%	21.5%	27.9%
	<u>47.7%</u>	<u>45.0%</u>	<u>43.2%</u>	<u>49.3%</u>	<u>47.5%</u>
Average					
Profit attributable to owners of the Company arising from the continuing operations	<u>36,598</u>	<u>57,153</u>	<u>44,336</u>	<u>14,311</u>	<u>15,018</u>

Revenue

The total revenue of the Group from continuing operations increased by approximately 4.2% for the three month ended 31 March 2016 as compared with that for the three month ended 31 March 2015. The net increase in revenue from the environmental waste treatment services was mainly attributable to the increase in quantities of hazardous industrial waste and regulated medical waste collected for innocuity treatment and disposal together with slightly upward adjustment of medical waste handling unit pricing in current period. The net increase in revenue from environmental sewage treatment and facility provision services was mainly attributable to the increase in clients which entered the newly completed factory buildings in the Zone as compared to the corresponding period in 2015.

The total revenue of the Group from continuing operations increased by approximately 11.0% for the year ended 31 December 2015 as compared with that for the year ended 31 December 2014. The increase was mainly attributable to (i) increase in quantities of hazardous industrial waste collected for treatment and disposal from approximately 30,356 metric tons in 2014 to 32,509 metric tons in 2015, and increase in average handling unit price for hazardous industrial waste from approximately HK\$4,538.6 per metric ton in 2014 to approximately HK\$4,796.1 per metric ton in 2015; and (ii) increase in gross floor area of factory buildings completed which accommodated new clients entering the Zone from average gross floor area of 87,354 square metres per month in 2014 to average gross floor area of 106,577 square metres per month in 2015.

The total revenue of the Group from continuing operations increased by approximately 33.00% for the year ended 31 December 2014 as compared with that for the year ended 31 December 2013. The increase was mainly attributable to (i) increase in average handling unit price from approximately HK\$4,328.2 per metric ton in 2013 to HK\$4,538.6 per metric ton in 2014 and increase in total hazardous industrial waste collected for innocuity treatment and disposal from approximately 22,675 metric tons in 2013 to 30,356 metric tons in 2014; and (ii) increase in utilisation rate of the industrial buildings and facilities in the Zone from average gross floor area of 78,173 square metres per month in 2013 to average gross floor area of 87,354 square metres per month in 2014.

The Group's operations in relation to the provision of hazardous waste treatment services are subject to administrative guidelines issued by the local PRC government and/or local PRC environmental bureau (the "Authorities") promulgated from time to time, which include but not limited to 《江蘇省固體廢物污染環境防治條例》(Solid Waste Pollution Prevention Regulations of Jiangsu Province), 《江蘇省危險廢物處置收費管理暫行辦法》(蘇價費〔2005〕386號) (Notice on Interim Measures for the Management of Fee Charged on Hazardous Waste Treatment in Jiangsu Province (Su Jia Fei [2005] No.386)) and 《政府指導價的經營服務性收費項目目錄》(Directory of Business Service Charges subject to Governmental Guidance Pricing).

In general, different pricing range is set in the administrative guideline in accordance with the type of waste to be handled. As the pricing range promulgated or suggested by the Authorities for handling medical waste has been set (i) for larger hospitals based on numbers of hospital bed at a range of RMB1.2 to RMB2 per each bed daily, (ii) for other major hospitals based on quantity of medical waste collected at a range of RMB4,000 to RMB5,750 per metric ton, and (iii) for smaller medical organisations and clinics based on fixed charge at a range of RMB45 to RMB225 per month, and for handling hazardous waste has been set at a generally wide range of RMB1,000 to RMB20,000 per metric ton to cater for the pricing level acceptable to all users in the industries, the Group's pricing level is more prone to be affected by and driven by the market's supply and demand or on an arm's length bargaining basis with the clients. The Group has been fixing the contracted prices with the larger and major medical clients, being assessed on quantity basis, at a pricing level at a range of approximately

RMB4,000 to RMB5,500 (exclusive of VAT) per metric ton of medical waste, and with the industrial clients at a lower pricing level of approximately RMB1,300 to RMB6,800 (exclusive of VAT) per metric ton of industrial hazardous waste, which are within the range suggested by the Authorities to maintain the competitive edge while in compliance with the administrative guideline. On similar bargaining basis driven more by the market's supply and demand, the Group may consider to outsource the hazardous waste landfill disposal service to local service provider(s), or to the Group's associate, 鎮江新區固廢處置股份有限公司 (Zhenjiang New District Solid Waste Disposal Limited*) (stock code: 832541) (a company whose shares are listed at the New Third Board (新三板), an over-the-counter market for growth enterprises in the PRC), if the pricing level is more competitive to the Group.

Gross Profit margin

The decrease in average gross profit margin of the Group for the three months ended 31 March 2016 was mainly attributable to VAT of 17% being charged on the revenue from hazardous industrial waste treatment with effect from 1 July 2015.

The decrease in the average gross profit margin of the Group for the year ended 31 December 2015 as compared with that for the year ended 31 December 2014 was mainly attributable to VAT of 17% being charged on the revenue from hazardous industrial waste treatment in the PRC with effect from 1 July 2015.

In accordance with the PRC tax policy 《關於調整完善資源綜合利用產品及勞務增值稅政策的通知》(財稅[2011]115號) (Notice of the Adjustment and Improvement Policy for Value-Added-Tax on Products and Services with Integrated Utilization of Resources (Cai Shui [2011] No.115)), the invoiced amounts of income from environmental operation of the Group in relation to hazardous waste treatment was exempted from VAT prior to 1 July 2015.

Pursuant to 《關於印發《資源綜合利用產品和勞務增值稅優惠目錄》的通知》(財稅〔2015〕78號) (Notice of the Release of “Directory of Products and Services with Integrated Utilization of Resources entitled to Value-Added-Tax Preferential Policy” (Cai Shui [2015] No.78)) (“**Cai Shui [2015] No.78**”), with effect from 1 July 2015, the PRC government would charge a VAT of 17% on all invoiced amounts of income from environmental operations of the Group in relation to all waste treatment. In other words, the actual revenue of the invoiced amount recognised by the Group is equivalent to 83% of the previous invoiced amount exempt from VAT with effect from 1 July 2015, As such, the average gross profit margin of the Group for the year ended 31 December 2015 and for the three months ended 31 March 2016 decreased as compared with that for the relevant period in 2014 and 2015.

Under the Cai Shui [2015] No.78, qualified entities will enjoy preferential tax refund of 70% of VAT paid, but which is subject to annual assessment on case-by-case basis. The Group's VAT subsidiaries shall report and settle VAT monthly, while subsidiaries of the Group qualified to the preferential tax refund of 70% of VAT paid would receive the 70% VAT refund on the next reporting month. Accordingly, the Group recognised the "Refund of VAT under tax preferential policy in the PRC" in aggregate of approximately HK\$4,401,000 as other net income for the year ended 31 December 2015 that were duly received by the Group,

Other than the effect of VAT, the decrease in gross profit margin of environmental waste treatment services for the year ended 31 December 2015 as compared with that for the year ended 31 December 2014 was also attributable to the increase in direct costs (including but not limited to increasing labour costs and increasing costs of operating incineration facilities) which motivated the Group to build new incinerators with increasing efficiency and more environmental friendly, which have been put into operation by the end of 2015 and in early 2016. The decrease in gross profit margin of industrial sewage treatment services in the Zone for the year ended 31 December 2015 as compared with that for the year ended 31 December 2014 was mainly attributable to new buildings and facilities in the Zone gradually completed at the end of 2014 which diluted the utilisation rate from 92% in 2014 to 90% in 2015.

The decrease in average gross profit margin of the Group for the year ended 31 December 2014 as compared with that for the year ended 31 December 2013 was mainly attributable to the relatively higher depreciation of property, plants and equipment being absorbed in the cost of sales for the then newly built waste treatment plant in Dafeng of Yancheng.

The gross profit margin of environmental waste treatment services for the year ended 31 December 2014 was similar to that for the year ended 31 December 2013. The decrease in gross profit margin of industrial sewage treatment and facility provision services in the Zone for the year ended 31 December 2014 as compared with that for the year ended 31 December 2013 despite the increase in clients entering the Zone and the increase in utilisation rate from 70% in 2013 to 80% in 2014 was mainly attributable to the increase in direct running costs of sludge treatment plant newly established in 2014 to handle the piling up sludge extracted from the sewage discharged by the increasing number of clients which outweighed the increase in revenue from the increased number of clients in 2014.

Profit attributable to owners of the Company

The profit attributable to owners of the Company from continuing operations increased by approximately 32.57% for the three months ended 31 March 2016 as compared with that for the three months ended 31 March 2015. The increase was mainly attributable to the increase in revenue from both operations of environmental waste treatment services and industrial sewage treatment and facility provision services in the Zone.

The profit attributable to owners of the Company from continuing operations decreased by approximately 22.43% for the year ended 31 December 2015 as compared with that for the year ended 31 December 2014, The decrease was mainly attributable to (i) decrease in other net income in the year of 2015; (ii) new PRC tax policy effected in current year that all revenue from hazardous industrial waste treatment in the PRC is subject to 17% VAT in the PRC; (iii) increase in treatment plants and subsidiaries established in the PRC which were yet to generate revenue in the year of 2015; and (iv) decrease in RMB exchange rate, being the functional currency of the Group's subsidiaries in the PRC, relative to HKD exchange rate, being the presentation currency of the Company in Hong Kong during the year of 2015.

The profit attributable to owners of the Company from continuing operations increased by approximately 56.16% for the year ended 31 December 2014 as compared with that for the year ended 31 December 2013. The increase was mainly attributable to (i) the increase in revenue from environmental business arisen from the increase in the hazardous waste collected from 22,675 metric tons in 2013 to 30,356 metric tons in 2014; (ii) the then newly built waste treatment facilities of the Group in Dafeng of Yancheng have been in full operation in 2014; and (iii) the increase in other net income of approximately HK\$23,938,000 (comprising (a) subsidies on environmental recycling renovation of approximately HK\$2,482,000 received from PRC government by a subsidiary in Zhenjiang as recorded in the first quarter of 2014; (b) net compensation of HK\$9,338,000 received from the PRC urban development authority on relocation of a subsidiary previously situated in Taizhou as recorded in the fourth quarter of 2014; (c) reversal of over accrued legal and professional expenses of HK\$3,636,000 in the first quarter of 2014 for voluntary liquidation of three investment holding subsidiaries which had been de-registered in April 2014; and (d) net gain of HK\$8,482,000 on de-registration of Suzhou New Universe Smartech Tooling and Plastics Limited in the PRC after its voluntary liquidation completed in November 2014.

Although the total revenue of the Group from continuing operations increased by approximately 11.0% for the year ended 31 December 2015 as compared with that for the year ended 31 December 2014, the profit attributable to owners of the Company decreased by approximately 22.43% for the year ended 31 December 2015 as compared with that for the year ended 31 December 2014. The decrease was mainly attributable to the net decrease in other net income by approximately HK\$23,938,000 for the year ended 31 December 2015.

Over provision of PRC Enterprise Income Tax (“EIT”) by the Group

The PRC Enterprise Income Tax Law, Article 54 stipulates that enterprise shall, within five months from the date of the end of the financial year, submit the annual EIT return to the tax authority to carry out a final assessment and clearance of tax (匯算清繳) (the “**Clearance of Tax**”) for the final settlement of all EIT payable and refundable for the year.

The Group reversed the over-provision of EIT in respect of prior years of HK\$5,100,000 for the year ended 31 December 2015 which was mainly comprised of over provision of EIT from Yancheng NUHF Environmental Technology Limited (“**Yancheng NUHF**”) of HK\$5,407,000 for the year of 2014.

Since the commencement of its operations in the last quarter of 2013, Yancheng NUHF has been subject to EIT rate at 25% and has reported its EIT liability quarterly based on its accounting profit, According to the PRC Tax Laws (namely, 《中華人民共和國企業所得稅法》第二十七條(Enterprise Income Tax Law of People’s Republic of China, Article 27) and 《財政部國家稅務總局國家發展改革委員會關於公佈環境保護節能節水專案企業所得稅優惠目錄（試行）的通知》(財稅[2009]166號) (Notice from the National Development and Reform Commission, State Administration of Taxation, the Ministry of Finance, in relation to the Directory for Projects of Environmental Protection and Energy-Saving entitled to Enterprise Income Tax Preferential (Trial) Policy” (Cai Shui [2009] No. 166)), the business operations of Yancheng NUHF is qualified as environmental protection business that is entitled to tax preferential policy of 100% exemption from EIT payable for first to third profit-making years and 50% exemption from EIT payable for the fourth to the sixth profit-making years.

The annual EIT liability of Yancheng NUHF would be subject to the final tax assessment under the Clearance of Tax after the year end, and the qualification as to the entitlement of tax preferential policy for EIT exemption would be subject to re-assessment annually on whether the business activities are still qualified. Therefore, the over provision of EIT for Yancheng NUHF of HK\$5,407,000 was mainly attributable to the acceptance of its filing information for its entitlement to EIT exemption for 2014 by the tax bureau in 2015, and the EIT tax provided in the financial statements for 2014 has been exempted and was reversed in 2015.

Cash balance

The net cash generated from operating activities of the Group was approximately HK\$45.3 million, HK\$92.1 million and HK\$109.9 million for the year ended 31 December 2013, 2014 and 2015 respectively. The net cash generated from operating activities of the Group was approximately HK\$109.87 million for the year ended 31 December 2015 which was mainly due to the continuous growth of the Group’s environmental business. The Group had cash and cash equivalents of approximately HK\$175.81 million as at 31 December 2015 and HK\$183.36 million as at 31 March 2016 respectively. As the ratios of trade receivables for the three years ended 31 December 2015 (2013: HK\$54,074,000, 2014: HK\$45,638,000, 2015: 46,857,000) to the total revenue of the Group for the three years then ended (2013: HK\$190,667,000, 2014: HK\$253,511,000, 2015: HK\$281,363,000) was reducing (2013: 28.36%, 2014: 18.00%, 2015: 16.64%), the Directors consider that delay in settlement of trade receivables by its customers, comprising government subsidised hospitals and enterprises have good track records with the Group would not impose material adverse impact on the liquidity position of the Group.

Utilisation rates of the Group's treatment facilities

The utilisation rates of the Group's treatment facilities for each of the three years ended 31 December 2015 are as follows:

	For the year ended 31 December		
	2013 (metric tons)	2014 (metric tons)	2015 (metric tons)
Provision of environmental treatment of industrial and medical wastes			
– Hazardous waste collected and handled (license required)	22,675	30,356	32,509
– Regulated medical waste collected and handled (license required)	4,383	4,842	5,522
Sub-total (a)	27,058	35,198	38,031
– General industrial waste collected and handled	8,579	6,761	1,941
Total	35,637	41,959	39,972
Annualised licensed capacity of hazardous waste treatment facilities as of the end of the year (b)	29,700 (Note 1)	36,300 (Note 2)	50,900 (Note 3)
Average utilisation rate of the Group's licensed treatment facilities based on the annualised capacity as of the end of the year ((a)/(b))	91.1%	97.0%	74.7% (Note 4)

Notes:

- As at 31 December 2013, the Group owned 4 major entities which are located at Zhenjiang, Yancheng and Taizhou and with annualised licensed capacity of hazardous waste treatment facilities of 29,700 metric tons and utilisation rate of 91.1%.
- As at 31 December 2014, the Group owned 5 major entities which are located at Zhenjiang, Yancheng and Taizhou with annualised licensed capacity of hazardous waste treatment facilities of 36,300 metric tons and utilisation rate of 97.0%. The net increase in the annualised licensed capacity of the Group in 2014 was mainly due to the grant of operating license for annualised capacity of 6,600 metric tons to the facilities located at Yancheng in September 2014.

3. As at 31 December 2015, the Group owned 6 major entities which located at Zhenjiang, Taizhou and Yancheng and with annualised licensed capacity of hazardous waste treatment facilities of 50,900 metric tons and utilisation rate of 74.7%. The net increase in the annualised licensed capacity of 14,600 metric tons of the Group in 2015 was mainly due to operating license for annualised capacity of 16,500 metric tons being granted to the facilities located at Zhenjiang in November 2015.
4. The decrease in average utilisation rate in 2015 was mainly attributable to (i) the cessation of use certain facilities for a period longer than expected for the purposes of repairs and maintenance to ensure strict compliance with the environmental rules and regulations, and (ii) the license granted for annualised capacity of 16,500 metric tons to the facilities located at Zhenjiang being only effective in November 2015. Given the effective capacity of the newly built facility is only 8,250 metric tons of hazardous waste, or 50% of 16,500 metric tons as at 31 December 2015, it is expected the effect utilization rate will increase to around 90% in 2016 under normal market conditions as that in 2015.

Capital commitments

As at 31 March 2016, the capital commitment not yet provided for the development project was approximately HK\$76,121,000, of which contracted costs amounted to approximately HK\$16,229,000 and estimated costs amounted to HK\$59,892,000 determined with reference to tender prices obtained from the independent third parties.

The Group recorded capital commitments of approximately HK\$155,205,000 and HK\$14,113,000 for the year ended 31 December 2014 and 2015 respectively. The substantial decrease was mainly attributable to the fact that (i) approximately HK\$70,026,000 of construction works were completed and entirely accounted for as additions to the property, plant and equipment of non-current assets in 2015; and (ii) approximately HK\$65,205,000 of the committed development and improvement works in the Zone has been cancelled in 2015.

Taking into accounts of the lower expected return on the further capital commitment investment in the Zone in which manufacturers are engaged in plating related business as a result of the possible downturn of the economy in the PRC, the Company cancelled the committed development and improvement works in the Zone in 2015 and allocated more funding and financing resource to the operating segment of environmental waste treatment services by entering into investment to establish Suqian New Universe Solid Waste Disposal Company Limited which will be engaged in the environmental treatment of hazardous waste in Suqian, Jiangsu, the PRC.

Other payables and accruals

The other payables and accruals of the Group are mainly comprised of (i) monies received in advance from clients contracted with the Group to collect and handle whose hazardous waste discharged or to be discharged; (ii) provisions of different PRC taxes payable, excluding EIT, but including, VAT, PRC Business Tax (營業稅) and PRC Property Tax (房產稅); (iii) provisions or accruals recognised that the Group has a legal or constructive obligation, or estimated amount(s) of probable obligation; and (iv) dividend payable to non-controlling shareholders of subsidiaries.

The increase in other payables and accruals from approximately HK\$46,078,000 as at 31 December 2014 to approximately HK\$49,026,000 as at 31 December 2015 was mainly attributable to increase in VAT payable as at 31 December 2015 of approximately HK\$1,500,000 and increase in provision of outsourcing landfill costs for post-incinerated wastes of approximately HK\$1,500,000.

The decrease in other payables and accruals from approximately HK\$54,647,000 as at 31 December 2013 to approximately HK\$46,078,000 as at 31 December 2014 was mainly attributable to the provision of Land Appreciation Tax (土地增值稅) of approximately HK\$8,482,000 exempted upon the final tax assessment for completion of the de-registration of a subsidiary in the PRC in 2014 being reversed as other net income of the Group for the year ended 31 December 2014.

RECENT BUSINESS DEVELOPMENTS AND FUTURE PLAN

The Company has started environmental operations since 2007 that have contributed stable returns to the Group.

Environmental waste treatment services

For the year ended 31 December 2015, the Group had collected for treatment in aggregate of approximately 32,509 metric tons (2014: 30,356 metric tons) of hazardous industrial waste, 5,522 metric tons (2014: 4,842 metric tons) of regulated medical waste, and 1,941 metric tons (2014: 6,761 metric tons) of general industrial waste from various cities in Jiangsu Province, the PRC. 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%).

Industrial sewage treatment and facility provision services in the Zone

The business operations of Zhenjiang Sinotech Eco-Electroplating Development Company Limited (“**Zhenjiang Sinotech**”) in the Zone have been disclosed as the operating segment of the Company for the industrial sewage treatment and facility provision services since 2008. In the Zone with an area of approximately 180,000 square metres, the Group owns 22 factory buildings that are currently occupied by over 50 manufacturing clients engaging in plating operations and operates a centralised plating sewage treatment plant, a centralised industrial sludge treatment plant and customised facilities equipped for all clients in the Zone.

Zhenjiang Sinotech has entered into contracts with the clients for entering the Zone, pursuant to which Zhenjiang Sinotech would charge the clients an annual fee for an initial term of 5 to 10 years for providing (i) management services and tailor-built environmental facilities to the clients for their plating business; and (ii) environmental treatment of electroplating sewage and sludge, and recycling of metallic substances and resources using centralised discharge processing system which services the whole Zone.

The operating segment in the Zone is mainly comprised of (i) provision of industrial sewage treatment and industrial sludge treatment services, and (ii) supply of utilities such as electricity, water, gas, and provision of ad hoc and on demand services, including repairs and maintenance, and temporary dormitories leasing to clients’ staff in the Zone. In accordance with the terms of the master contracts entered into between Zhenjiang Sinotech and the clients entering the Zone, the bases and terms of the revenue for the services provided in the Zone are as follows:

- an initial monthly fixed fee at a fixed charge rate determined with reference to the gross floor area occupied by the client in the Zone;
- variable fees at variable rates determined with reference to the quantity of sewage and sludge treatment services rendered; and
- variable fees at variable rates determined with reference to the types and quantity of the public utilities and services provided in the Zone.

As the Zone provides a one-stop-service to each client entering the Zone and the revenue from each type of the services has not exceeded 10% of the Group’s total revenue, all revenue generated in the Zone have been aggregated as one operating segment of the Company for disclosure purpose.

For the year ended 31 December 2015, total revenue of the Group’s operations from the provision of environmental industrial sewage and sludge treatment services and facilities to the manufacturers in the 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 Zone was approximately 15.4% (2014: 9.6%).

Future Plan

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, the PRC, 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 ton per annum (on annualised basis), which shall bring well-monitored hazardous waste treatment services in the PRC and shall bring stable returns to the Group.

Set out below is the expected expansion plans of the Group's facilities for the provision of industrial and medical waste integrated treatment services:

	Annualised capacity as at 31 December 2015 <i>(metric tons)</i>	Annualised capacity as at 31 March 2016 <i>(metric tons)</i>	Expected date of construction completion	Expected date of grant of operating permission license	Costs capitalised as property, plant and equipment as at 31 March 2016 <i>HK\$'000</i>	Capital commitment contracted for but not yet provided for as at 31 March 2016 <i>HK\$'000</i>
Licensed hazardous waste incineration facilities	42,900	52,500				
Licensed epidemic medical waste incineration facilities	8,000	8,000				
Total licensed treatment facilities	50,900	60,500				
Constructed hazardous waste incineration facilities pending operating permission license	9,600	–		January 2016	23,369	–
Constructed hazardous waste landfill facilities pending operating permission license	18,000	18,000		September 2016	47,373	–
Constructed medical waste treatment facilities pending operating permission license	2,640	2,640		September 2016	4,008	–
Total constructed treatment facilities pending licenses	30,240	20,640				
New incineration facilities planned to start construction within one year	33,000	33,000	January 2017	June 2017	–	55,536
New facilities for medical waste treatment planned to start construction within one year	3,300	3,300	January 2017	June 2017	–	4,356
Total planned construction of new facilities	36,300	36,300				

In addition to the existing facilities in operation and the new facilities beginning to be set up in 2016, the Group has 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 ton in the medium-term planning. The subsidiary will acquire land use rights for a site area of approximately 66,000 square metres for the project development, and is expected to start civil engineering construction works by the end of 2016. With the application of the registered capital of HK\$80 million sourced from the internally generated funds and the existing banking facilities available to the Group, the subsidiary would commence its first phase construction of the incineration facilities for a treatment capacity of approximately 39,600 metric tons per annum which is expected to be commenced in October 2016 and is expected to be completed in June 2017. Barring any unforeseeable risks that might affect the development of the project, operating permission license of the hazardous waste treatment facilities is expected to be granted by the end of 2017. Currently, there are no other concrete plan for the next phase of construction of other treatment facilities which would be subject to further review of the market conditions in the forthcoming future at area surrounding the city in the Jiangsu Province.

Straight-line method is used for depreciation on the capitalised costs of waste treatment and incineration facilities after construction completion and is charged over an estimated useful life of 10 years.

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 PRC, the Group is still looking for sustainable growth in the year of 2016.

REGULATORY COMPLIANCE

As a provider of environmental waste treatment services, the Group is subject to environmental laws and regulations in the PRC. As at the date of this announcement, none of the Group members is a party to, and the Group is not aware of any incident of non-compliance that, in the opinion of the Company's management, is likely have a material and adverse effect on our business, financial condition or results of operations. The Board is of the view that the Group will and will be able to obtain and renew all licences and permits necessary for its operation and to continue to comply with the applicable environmental laws and regulations in the PRC on an ongoing basis.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2016, being the date to which the latest published and unaudited consolidated financial information of the Group were made up,

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on the websites of the Company at www.nuigl.com, www.hkexnews.hk and www.hkgem.com:

1. the Directors' report and annual report of the Company for the year ended 31 December 2015;
2. the first quarterly report of the Company for the three months ended 31 March 2016;
3. the interim report of the Company for the six months ended 30 June 2015;
4. the Memorandum of association and Articles of the Company;
5. the supplemental circular dated 13 April 2016 in respect of matters relating to the proposals for re-election of directors at the annual general meeting;
6. the circular of the Company dated 13 April 2016 in relation to the change of name of the Company;
7. the circular of the Company dated 31 March 2016 in relation to the proposals for grant of general mandates to issue new Shares and repurchase Shares, re-election of directors, and notice of annual general meeting;
8. the circular of the Company dated 31 March 2015 in relation to the proposals for grant of general mandates to issue new Shares and repurchase Shares, re-election of directors, and notice of annual general meeting; and
9. a copy of each of the announcements and other corporate communications made by the Company prior to the date of this announcement as required under the Listing Rules and the GEM Listing Rules.

DEFINITIONS

“Articles”	the articles of association of the Company
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Company”	New Universe Environmental Group Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM
“controlling shareholders”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 July 2016, being the latest practicable date prior to the issue of this announcement for ascertaining certain information contained in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock exchange (excluding the options market) operated by the Stock Exchange which is independent from and in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“NUEL”	New Universe Enterprises Limited, a Shareholder currently beneficially interested in 36.26% of the Shares in issue
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 5 May 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Listing”	the transfer of listing of the Shares from GEM to the Main Board pursuant to the Listing Rules
“VAT”	value added tax of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

By order of the Board
New Universe Environmental Group Limited
XI Yu
Chairman

Hong Kong, 22 July 2016

As at the date of this announcement, the Board comprises six executive Directors: Mr. Xi Yu (Chairman) Mr. SONG Yu Qing (Chief Executive Officer), Ms. CHEUNG Siu Ling, Mr. LIAO Feng, Ms. LIU Yu Jie and Mr. HON Wa Fai; and three independent non-executive Directors: Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred.

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

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

* For identification purposes only