

# NEW UNIVERSE INTERNATIONAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 8068

**2015**  
INTERIM  
REPORT



## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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

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*This report, 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 report 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 report misleading.*

## CORPORATE INFORMATION

### PLACE OF INCORPORATION

Cayman Islands

### BOARD OF DIRECTORS

#### Executive Directors

Mr. SONG Yuqing (*Chairman and CEO*)<sup>1</sup>

Ms. CHEUNG Siu Ling<sup>1</sup>

Mr. LIAO Feng<sup>1</sup>

Ms. LIU Yujie<sup>1</sup>

Mr. HON Wa Fai<sup>1</sup>

#### Non-Executive Director

Mr. SUEN Ki

#### Independent Non-Executive Directors

Dr. CHAN Yan Cheong<sup>2,3,4,5</sup>

Mr. YUEN Kim Hung, Michael<sup>2,3,4,6</sup>

Mr. HO Yau Hong, Alfred<sup>2,3,4,7</sup>

- <sup>1</sup> Member of Executive Committee
- <sup>2</sup> Member of Audit Committee
- <sup>3</sup> Member of Nomination Committee
- <sup>4</sup> Member of Remuneration Committee
- <sup>5</sup> Chairman of Audit Committee
- <sup>6</sup> Chairmen of Nomination Committee
- <sup>7</sup> Chairman of Remuneration Committee

### AUTHORISED REPRESENTATIVES

Ms. CHEUNG Siu Ling

Mr. HON Wa Fai

### COMPLIANCE OFFICER

Ms. CHEUNG Siu Ling

### COMPANY SECRETARY

Mr. HON Wa Fai

### REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

### HEAD OFFICE AND

#### PRINCIPAL PLACE OF BUSINESS

Rooms 2110-2112

Telford House

16 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

## SHARE REGISTRAR AND TRANSFER OFFICES

### Principal

Codan Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

### Hong Kong Branch

Tricor Tengis Limited

Level 22,

Hopewell Centre

183 Queen's Road East

Hong Kong

### LEGAL ADVISERS

#### As to Cayman Islands Laws

Conyers Dill & Pearman (Cayman) Limited

#### As to Hong Kong Laws

Troutman Sanders

#### As to PRC Laws

Beijing Sinobridge PRC Lawyers

### FINANCIAL ADVISER

OCTAL Capital Limited

### INDEPENDENT AUDITOR

Crowe Horwath (HK) CPA Limited

### PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking

Corporation Limited

Hang Seng Bank Limited

### LISTING INFORMATION

#### Shares

The issued shares of the Company are listed and traded on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

#### Stock Code

8068

#### Board Lot

20,000 shares

#### WEBSITE

[www.nuigl.com](http://www.nuigl.com)

- Mr. LIAO Feng was appointed executive director and member of the executive committee of the Company with effect from 5 May 2015.
- Ms. LIU Yujie was appointed executive director and member of the executive committee of the Company with effect from 9 June 2015.

**FINANCIAL HIGHLIGHTS**

- Total revenue for the six months ended 30 June 2015 increased by 19.6% to HK\$147,555,000 compared to HK\$123,379,000 for the corresponding period in 2014.
- Net profit for the six months ended 30 June 2015 increased by 76.3% to HK\$47,857,000 compared to HK\$27,145,000 for the corresponding period in 2014.
- Profit attributable to owners of the Company for the six months ended 30 June 2015 increased by 65.5% to HK\$36,234,000 compared to HK\$21,888,000 for the corresponding period in 2014.
- Total earnings per share attributable to owners of the Company for the six months ended 30 June 2015 were HK cents 1.27 compared to HK cents 0.82 for the corresponding period in 2014.
- Equity attributable to owners of the Company was approximately HK\$733,404,000 at 30 June 2015 compared to HK\$628,538,000 at 31 December 2014.
- Cash and cash equivalents of the Group were approximately HK\$166,432,000 at 30 June 2015 compared to HK\$121,780,000 at 31 December 2014.
- The Board resolved not to declare a dividend for the six months ended 30 June 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Environmental Waste Integrated Treatment Services

For the six months ended 30 June 2015, the Group had collected for treatment in aggregate of approximately 15,488 metric tons (2014: 13,829 metric tons) of hazardous industrial waste, 842 metric tons (2014: 3,908 metric tons) of general industrial waste, and 2,640 metric tons (2014: 2,202 metric tons) of regulated medical waste from various cities in Jiangsu Province of China. For the six months ended 30 June 2015, the total revenue of the Group's operations in providing environmental waste integrated treatment services was approximately HK\$98,759,000 (2014: HK\$86,135,000) of which the revenue from treatment of hazardous industrial waste, general industrial waste and medical waste were HK\$81,568,000, HK\$848,000 and HK\$16,343,000 (2014: HK\$73,193,000, HK\$4,333,000 and HK\$8,609,000) respectively. The overall profit margin (pre-tax) of the Group's environmental waste integrated treatment services was approximately 45.7% in current period (2014: 34.1%).

#### Industrial Sewage and Sludge Treatment in Eco-plating Specialised Zone

For the six months ended 30 June 2015, the average utilisation rate of the industrial buildings and facilities with total gross floor area of 106,630 square metres was approximately 89% (2014: 93% for 83,523 square metres) in the eco-plating specialised industrial zone. The centralised plating sewage treatment system had handled approximately 267,000 metric tons (2014: 259,000 metric tons) of plating sewage discharged from the manufacturers in the zone in current period. There were 50 contracted manufacturing clients in the zone as at 30 June 2015 (31 December 2014: 48). For the six months ended 30 June 2015, the total revenue of the Group's operations in the eco-plating specialised industrial zone was approximately HK\$48,796,000 (2014: HK\$37,244,000) and the profit margin (pre-tax) was approximately 14.5% (2014: 11.3%).

#### Investments in Plastic Materials Dyeing Operations

The Group holds the equity interests in the three manufacturing entities that principally engaged in plastic material dyeing business in the Mainland China as strategic equity investments. For the six months ended 30 June 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 4.8%, 2.9% and 3.6% (2014: 4.2%, 1.3% and 2.1%) respectively.

The board meetings of Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei have been held in mid-April 2015 to review on their respective annual results of 2014, and the final dividends declared by their boards that attributable to the Group (before PRC dividend tax) were totally amounted approximately to HK\$4,527,000 (2014: HK\$4,352,000).

### **Establishment of a new subsidiary in Suqian city of Jiangsu Province**

On 18 June 2015, New Universe Recyclables Limited (新宇資源再生利用有限公司) (an indirectly wholly-owned subsidiary of the Company incorporated in Hong Kong) (“NU Recyclables”) entered into an investment agreement (the “Investment Agreement”) with 江蘇宿遷生態化工科技產業園管理委員會 (Jiangsu Suqian Eco Chemical Industry Park Administration Committee\*), pursuant to which NU Recyclables will set up a wholly-owned subsidiary at Suqian, in the Jiangsu Province of China (the “New Subsidiary”) that will engage in the provision of hazardous waste treatment services by constructing new incineration facilities and hazardous waste landfill at 宿遷生態化工科技產業園 (Suqian Eco Chemical Industry Park\*). According to the Investment Agreement, the registered capital of the New Subsidiary will be HK\$80 million and the fixed asset investment will reach HK\$200 million in the future to target for the hazardous waste treatment facilities with an annual capacity of 100,000 metric tons to be built.

On 25 June 2015, the New Subsidiary named 宿遷宇新固體廢物處置有限公司 (SuQian New Universe Solid Waste Disposal Co., Ltd.\*) has been incorporated in Suqian and located at the Suqian Eco Chemical Industry Park.

### **Outlook**

The Group will continue to focus on environmental related business and enhance the waste management and treatment standards of the Group, and will seek for feasible investment opportunity to increase the environmental waste treatment capacity of the Group. By the end of 2015, the newly built incinerators with annual capacity of approximately 26,300 metric tons and the newly constructed hazardous waste landfill with annual disposal capacity of approximately 18,000 metric tons of the Group are expected to be gradually put into operation. Barring any unforeseeable risks from the global and local economies that might affect the Group’s environmental operations in China, the Group will make concerted efforts to meet the target for a modest profit growth in this year.

\* For identification purposes only

## FINANCIAL REVIEW

### Summary of interim results

The unaudited consolidated financial information of the Group's for the six months ended 30 June 2015 as comparing to the unaudited figures for the corresponding period in 2014 are summarised as follows:

(Expressed in HK\$'000 unless indicated otherwise)	Note	For the three months			For the six months		
		ended 30 June		Change	ended 30 June		Change
		2015	2014	%	2015	2014	%
Revenue	(a)	<b>76,859</b>	62,791	+22.4	<b>147,555</b>	123,379	+19.6
Average gross profit margin (%)	(b)	<b>48.3</b>	45.0	+7.3	<b>48.8</b>	46.8	+4.3
Other revenue	(c)	<b>4,527</b>	4,355	+3.9	<b>4,962</b>	4,420	+12.3
Other net income	(d)	<b>128</b>	111	+15.3	<b>2,848</b>	6,564	-56.6
Distribution and selling expenses	(e)	<b>3,327</b>	3,087	+7.8	<b>6,507</b>	6,819	-4.6
Administrative expenses	(f)	<b>10,370</b>	8,458	+22.6	<b>18,941</b>	18,068	+4.8
Other operating expenses	(g)	<b>2,868</b>	5,135	-44.1	<b>6,249</b>	7,339	-14.9
Finance income	(h)	<b>328</b>	312	+5.1	<b>551</b>	705	-21.8
Finance costs	(i)	<b>711</b>	763	-6.8	<b>1,510</b>	1,447	+4.4
Share of net profits of an associate	(j)	<b>1,190</b>	1,792	-33.6	<b>3,548</b>	527	+573.2
Income tax	(k)	<b>(2,482)</b>	3,677	N/A	<b>2,794</b>	9,183	-69.6
Net profit for the period	(l)	<b>28,510</b>	13,707	+108.0	<b>47,857</b>	27,145	+76.3
Profit attributable to							
owners of the Company	(l)	<b>21,923</b>	11,070	+98.0	<b>36,234</b>	21,888	+65.5
Basic and diluted EPS (HK cents)	(l)	<b>0.75</b>	0.41	+82.9	<b>1.27</b>	0.82	+54.9

Notes:

- (a) Net increase in total revenue for the six months ended 30 June 2015 was mainly attributable to:
- (i) increase in quantities of regulated medical waste collected for innocuity treatment and disposal in current period; and
  - (ii) increase in handling prices for hazardous industrial waste and medical waste in current period.
- (b) Increase in gross profit margin of the Group for the six months ended 30 June 2015 was mainly attributable to increase in income from medical waste innocuity services with relatively fixed cost of sales in current period.



- (c) Net increase in other revenue for the six months ended 30 June 2015 was mainly attributable to the increase in income from nitrile rubber recycling.
- (d) Net decrease in other net income for the six months ended 30 June 2015 was mainly attributable to the net gain on derecognition of liabilities attributable to the subsidiaries de-registered in the first quarter of 2014 that was an one-off gain recorded in last corresponding period.
- (e) Net decrease in distribution and selling expenses for the six months ended 30 June 2015 was mainly attributable to decrease in environmental marketing incentive expenses.
- (f) Net increase in administrative expenses for the six months ended 30 June 2015 was mainly attributable to increase in staff costs commencing second quarter of 2015.
- (g) Net decrease in other operating expenses for the six months ended 30 June 2015 was mainly attributable to decrease in research and development costs in current period.
- (h) Net decrease in finance income for the six months ended 30 June 2015 was mainly attributable to relatively lower interest income being generated from the net free cash flow of the Group in Hong Kong.
- (i) Net increase in finance costs for the six months ended 30 June 2015 was mainly attributable to increase in interest paid for the unsecured other borrowings of the Company.
- (j) Net increase in profits shared from an associate for the six months ended 30 June 2015 was mainly attributable to increase in profit on hazardous waste landfill operation in current period.
- (k) Net decrease in income tax for the six months ended 30 June 2015 was mainly attributable to:
  - (i) the income tax rate of 15% granted to a major subsidiary in Zhenjiang, Jiangsu Province under the PRC tax preferential policy; and
  - (ii) the refund of PRC income tax over-paid and reversal of PRC income tax over-provided in prior year.
- (l) For the six months ended 30 June 2015, net increase in profit, increase in profit attributable to owners of the Company and increase in EPS were mainly attributable to:
  - (i) increase in revenue from both operating segments of environmental waste treatment services and environmental sewage treatment and facility provision services in the eco-plating industrial zone;
  - (ii) increase in profit shared from the associate in current period as comparing to the last corresponding period; and
  - (iii) decrease in income tax expenses current period owing to the refund of over-paid PRC income tax and reversal of over-provided PRC income tax for prior year.

## Seasonality of operations

The environmental waste treatment services have tended to be insensitive to seasonal fluctuation in 2014, though in previous years the services on handling different waste quantities would have peak demand in the third and fourth quarters of a year.

For the financial year ended 31 December 2014, the environmental waste treatment services reported a revenue of HK\$170,929,000 (2013: HK\$131,623,000) and pre-tax profit of HK\$71,227,000 (2013: HK\$49,888,000) with revenue of approximately 50.4% (2013: 42.8%) being accumulated in the first half of the year and approximately 49.6% (2013: 57.2%) being accumulated in the second half of the year.

For the 12 months ended 30 June 2015, the environmental waste treatment services reported a revenue of HK\$183,553,000 (12 months ended 30 June 2014: HK\$161,438,000) and pre-tax profit of HK\$87,199,000 (12 months ended 30 June 2014: HK\$54,545,000).

## Capital expenditure

For the six months ended 30 June 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\$44,807,000 (2014: HK\$19,049,000), (ii) for the operating segment of industrial sewage and sludge treatment and facility provision services in the eco-plating industrial zone amounted approximately to HK\$10,282,000 (2014: HK\$5,435,000), and (iii) for corporate use at the head office in Hong Kong amounted approximately to HK\$1,540,000 (2014: HK\$41,000).

## Capital commitments

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

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Contracted but not provided for:		
– Acquisition of property, plant and equipment for subsidiaries in PRC:		
Yancheng NUHF Environmental Technology Limited	<b>33,355</b>	68,359
Xiangshui New Universe Environmental Technology Limited	<b>9,248</b>	7,986
Zhenjiang New Universe Solid Waste Disposal Company Limited	<b>7,395</b>	11,299
Taizhou New Universe Solid Waste Disposal Company Limited	<b>954</b>	946
Zhenjiang Sinotech Eco-Electroplating Development Limited	<b>20,038</b>	65,205
– Acquisition of property, plant and equipment for head office in Hong Kong	<b>53</b>	1,410
	<b>71,043</b>	155,205

### Liquidity, financial resources and level of borrowings

During the six months ended 30 June 2015, the Group financed its operations with internally generated cash flows, banking facilities and other borrowings and funds raised from new shares subscriptions. The Group remained stable in its financial position with the equity attributable to owners of the Company of approximately HK\$733,404,000 (31 December 2014: HK\$628,538,000) and consolidated total assets of the Company of approximately HK\$1,026,865,000 (31 December 2014: HK\$933,068,000) respectively as at 30 June 2015.

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

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Cash and bank balances	<b>166,432</b>	121,780
Time deposits pledged to secure for outstanding interest-bearing bank borrowings	<b>8,444</b>	10,313
Available unused secured banking facilities	<b>37,523</b>	2,520

The current ratio of the Group representing the consolidated current assets to the consolidated current liabilities was 1.7 times as at 30 June 2015 (31 December 2014: 1.3 times).

The cash conversion rate of the Group being the net cash generated from operating activities as a percentage of the consolidated operating profit was 113.8% for the six months ended 30 June 2015 (2014: 59.1%).

The Company uses “Earnings before interest, tax, depreciation and amortisation” (EBITDA) to measure the operating result of the Group, which represents the profit before taxation shown in the consolidated income statement plus adding back interest expenses, income tax, depreciation and amortisation charges over a reporting period. The EBITDA of the Group for the six months ended 30 June 2015 was approximately HK\$69,133,000 (six months ended 30 June 2014: HK\$52,868,000).

The Group monitors its capital through gearing ratio. This ratio is calculated as a percentage of the net debt to the total capital at the end of a reporting period. The net debt is calculated as all 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:

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Interest-bearing bank borrowings	<b>36,438</b>	42,048
Other interest-bearing borrowings	<b>30,000</b>	48,000
Trade and other payables, accruals and customers' deposits received	<b>104,622</b>	101,103
<b>Total liabilities</b>	<b>171,060</b>	191,151
Less: cash and cash equivalents	<b>166,432</b>	121,780
<b>Net debt</b>	<b>4,628</b>	69,371
<b>Total equity</b>	<b>817,014</b>	701,253
<b>Total capital</b>	<b>821,642</b>	770,624
<b>Gearing ratio</b>	<b>0.6%</b>	9.0%

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.



## Fund raising during the past twelve months

The following equity fund raising activities have been carried out by the Company in the 12 months immediately prior to the date of this report:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
18 December 2014 and 24 December 2014	Issue of 100,000,000 new ordinary shares at HK\$0.300 each by way of subscription	Approximately HK\$29,690,000	<ul style="list-style-type: none"> <li>(i) Approximately 50% of the net proceeds to enhance the waste treatment capacity of the Group; and</li> <li>(ii) the remaining balance for general working capital and/or for financing investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>(i) Approximately HK\$15.53 million had been utilised for the capital injection to a subsidiary in PRC to increase its incineration capacity by approximately 16,500 metric tons per annum;</li> <li>(ii) approximately HK\$9.35 million had been utilised for repayment of bank borrowings of the Group; and</li> <li>(iii) the remaining balance had been utilised as general working capital of the Company.</li> </ul>
31 March 2015 and 9 April 2015	Issue of 200,000,000 new ordinary shares at HK\$0.345 each by way of subscription	Approximately HK\$68,691,000	<ul style="list-style-type: none"> <li>(i) Approximately 50% of the net proceeds to finance the capital expenditure on enhancement of the waste treatment capacity of the Group; and</li> <li>(ii) approximately 50% of the net proceeds for general working capital and/or for financing investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>(i) Approximately HK\$8 million had been utilised for the capital injection to set up a wholly-owned subsidiary preparing for the construction of incineration facilities in PRC;</li> <li>(ii) approximately HK\$18 million had been utilised for repayment of other borrowings of the Group; and</li> <li>(iii) the remaining balance would be utilised as intended.</li> </ul>

## **Capital structure**

On 31 March 2015 (after trading hours), the Company entered into a conditional subscription agreement (“Subscription Agreement”) with the subscriber, Ms. LIU Yujie (“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 (“Subscription Shares”) at a subscription price of HK\$0.345 per 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 (“Completion Date”). The net proceed of the new shares subscription (after deduction of the related expenses) was approximately HK\$68,691,000 and the net price per Subscription 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 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 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 Subscription Shares described above.

Save as disclosed therein, there was no significant change to the capital structure of the Company as at 30 June 2015 compared to that as at 31 December 2014.

## **Material acquisitions and disposals of subsidiaries and affiliated companies**

There were no significant investments nor material acquisition and disposal of subsidiaries and affiliated companies of the Company for the six months ended 30 June 2015.

### Significant investments held and their performance

According to the valuation report dated 6 August 2015 issued by an independent professional valuer, 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 30 June 2015 were HK\$43,700,000, HK\$25,000,000 and HK\$20,900,000 (31 December 2014: HK\$52,000,000, HK\$16,000,000 and HK\$17,000,000) respectively. As at 30 June 2015, the fair values of these unlisted equity investments which were determined by reference to the valuation carried out by Cushman & Wakefield (2014: by Cushman & Wakefield) having used a market approach model based on the observable market data of the multiple of enterprise value to earnings before interest and tax of comparable listed companies in the same industry, after having taken into account the discount on marketability at 16% (31 December 2014: 16%) of these unlisted investments.

For the six months ended 30 June 2015, total dividend declared by Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei that has been accounted for by the Group was approximately HK\$4,527,000 (before PRC dividend tax) (2014: HK\$4,352,000).

### Impairment testing on goodwill

As at 30 June 2015, the recoverable amount of the Group’s cash generating unit principally engaged in environmental waste treatment services in the Mainland China was determined by referring to the valuation report dated 6 August 2015 issued by the independent professional valuer, Cushman & Wakefield, on a value-in-use calculation using cash flows projections based on the financial forecast approved by the management covering a five-year period, at a pre-tax discount rate of 16.46% (31 December 2014: 16.67%) 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. The cash flows beyond the five-year period are extrapolated using an annual growth rate of 2% (31 December 2014: 2%) which does not exceed the long-term growth rate for the waste treatment industries. Other key assumptions for the value-in-use calculation related to the estimated cash inflows/outflows include forecasted sales and gross margin. Such estimation is based on the past performance of the cash generating unit and the management’s expectations for the market development. Accordingly, no impairment loss to the goodwill was considered necessary for the six months end 30 June 2015 (2014: Nil).



### **Charges on Group assets**

The Group pledged certain property, plant and equipment and the land use rights with carrying amounts of HK\$18,569,000 and HK\$15,383,000 as at 30 June 2015 (31 December 2014: Nil and HK\$6,777,000) respectively and time deposits of HK\$8,444,000 as at 30 June 2015 (31 December 2014: HK\$10,313,000) to secure banking facilities totally amounted approximately to HK\$73,961,000 as at 30 June 2015 (31 December 2014: HK\$44,568,000) which to the extent of HK\$36,438,000 were utilised as bank borrowings as at 30 June 2015 (31 December 2014: HK\$42,048,000) granted to the Group.

### **Contingent liabilities**

There were no significant contingent liabilities of the Group as at 30 June 2015 (31 December 2014: Nil).

### **Exposure to exchange rate fluctuations**

As most of the Group's monetary assets and liabilities were dominated in Renminbi, Hong Kong dollars, and US dollars, the exchange risks of the Group were considered to be minimal. For the six months ended 30 June 2015, no related hedging had been arranged by the Group.

### **Employee information**

As at 30 June 2015, the Group had 365 (2014: 323) full-time employees, of which 18 (2014: 18) were based in Hong Kong, and 347 (2014: 305) in the Mainland China. For the six months ended 30 June 2015, staff costs, including the Directors' remuneration and amount capitalised as inventories was HK\$23,240,000 (2014: HK\$21,577,000). Employees and Directors were paid in commensurate with the prevailing market standards, with other fringe benefits such as bonus, medical insurance, mandatory provident fund, continuing development and trainings.

### **CHANGE IN DIRECTORS' INFORMATION**

With effect from 5 May 2015, Mr. LIAO Feng was appointed executive director and member of the executive committee of the Company. Details of the appointment of Mr. LIAO Feng were set out in the announcement of the Company dated 5 May 2015.

With effect from 9 June 2015, Ms. LIU Yujie was appointed executive director and member of the executive committee of the Company. Details of the appointment of Ms. LIU Yujie were set out in the announcement of the Company dated 9 June 2015.

Save as disclosed therein, there was no other change in details of the Directors' information since the date of last annual report of the Company for the year ended 31 December 2014.



Save as disclosed therein, there are no other information is to be disclosed pursuant to the requirements of the Rule 17.50(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

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

As at 30 June 2015, the interests and short positions of the Directors and chief executive 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, "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 required, 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				% of total shares in issue
	Personal/beneficial interest	Interests of children or spouse	Interests of controlled corporation	Number of shares held	
Ms. LIU Yujie	201,000,000	–	–	201,000,000	6.80

Note:

On 9 April 2015, Ms. LIU Yujie subscribed 200,000,000 shares of the Company upon the completion of a subscription agreement entered into with the Company. On 30 June 2015, Ms. LIU Yujie acquired additional 1,000,000 shares of the Company on the Exchange. Save as disclosed above, subsequently on 6 July 2015, Ms. LIU Yujie has also acquired additional 1,000,000 shares of the Company on the Exchange and therefore increased her personal interest in the issued ordinary shares of the Company to 202,000,000 shares, representing 6.83% of the issued ordinary shares of the Company.

## 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			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

Note:

Ms. CHEUNG Siu Ling and Mr. SUEN Ki are also directors of NUEL.

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and 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 therein, at no time during the period was the Company, its holding company or any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or the chief executive, or any of their spouses or children under the age of 18, was granted any right to subscribe for equity or debt securities of the Company, nor had exercised any such right.

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

As at 30 June 2015, so far as is known to any Director or chief executive of the Company, the interests or short positions of any person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

### Long positions in ordinary shares of the Company

Name of shareholder	Number of ordinary shares of HK\$0.01 each				% of total shares in issue
	Beneficial owner	Family interest	Interests of controlled corporation	Number of shares held	
NUEL <sup>(i)</sup>	1,071,823,656	–	–	1,071,823,656	36.26
CM International Capital Limited (“CMIC Cayman”) <sup>(ii)</sup>	800,000,000	–	–	800,000,000	27.07
CM International Capital Limited 中民國際資本有限公司 (“CMIC Hong Kong”) <sup>(ii)</sup>	–	–	800,000,000	800,000,000	27.07
China Minsheng Investment Corp. Ltd. 中國民生投資股份有限公司 <sup>(ii)</sup>	–	–	800,000,000	800,000,000	27.07
Ms. LIU Yujie <sup>(iii)</sup>	201,000,000	–	–	201,000,000	6.80

#### 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 the ultimate holding company, China Minsheng Investment Corporation Limited (中國民生投資股份有限公司).
- (iii) Save as disclosed above, subsequently on 6 July 2015, Ms. LIU Yujie has increased her personal interest in the issued ordinary shares of the Company by 1,000,000 shares to 202,000,000 shares, representing 6.83% of the issued ordinary shares of the Company.

Save as disclosed above, as at 30 June 2015, the Directors of the Company were not aware of any other person who had an interest or short position in the shares or 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 was adopted on 10 December 2003 and has expired on 9 December 2013. As at 30 June 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 (the "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 of the Company at the annual general meeting held on 5 May 2015 (the "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 30 June 2015, no option was granted or was outstanding under the New Share Option Scheme.

## **SERVICE CONTRACTS**

There is no service contract between any member of the Group and any Director (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensations)).

## CONNECTED TRANSACTIONS

There were no connected transactions of the Group (defined under the GEM Listing Rules) which were discloseable in the reporting period or any time during the six months ended 30 June 2015.

## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the six months ended 30 June 2015, contracts or arrangements subsisted, of which certain Directors had interests that were deemed significant to the business of the Group are set out as follows:

1. New Universe Environmental Technologies (Jiang Su) Limited (“NUET(JS)”) and NU Recyclables are the 82% indirectly owned subsidiary and the 100% indirectly owned subsidiary of the Company respectively, of which Ms. CHEUNG Siu Ling is a director, have provided corporate guarantees in the following arrangements.
  - (a) Standard Chartered Bank (Hong Kong) Limited had granted banking facilities of up to HK\$23,400,000 to the Company, which were guaranteed by NUET(JS). On 8 June 2015, Standard Chartered Bank (Hong Kong) Limited has renewed the banking facilities for an amount up to HK\$11,700,000 to the Company, and released the corporate guarantee provided by NUET(JS). As at 30 June 2015, the outstanding loans under the banking facilities granted was HK\$11,700,000.
  - (b) The Hongkong and Shanghai Banking Corporation Limited has granted banking facilities of up to HK\$10,000,000 to NUET(JS), which are guaranteed by the Company up to a limit of HK\$10,000,000. As at 30 June 2015, the outstanding loans under the banking facilities granted was HK\$3,125,000.
  - (c) The Hongkong and Shanghai Banking Corporation Limited has granted banking facilities of up to HK\$12,000,000 to NUET(JS), which are personally guaranteed by Ms. CHEUNG Siu Ling and Mr. SUEN Ki each up to a limit of HK\$12,000,000. As at 30 June 2015, the outstanding loans under the banking facilities granted was HK\$6,300,000.
  - (d) Hang Seng Bank Limited has granted banking facilities of up to HK\$15,000,000 to NUET(JS), which are guaranteed by the Company up to a limit of HK\$15,000,000 and secured by pledge of time deposits amounted to approximately HK\$8,444,000 held by NU Recyclables as at 30 June 2015. As at 30 June 2015, the outstanding loans under the banking facilities granted was HK\$8,438,000.

2. Ms. CHEUNG Siu Ling is a director of the landlord, Sun Ngai International Investment Limited (“Sun Ngai”, a wholly owned subsidiary of New Universe Holdings Limited that Ms. CHEUNG Siu Ling is also a director) to the following tenancy agreements entered into by the Group as tenant:
- (a) A tenancy agreement dated 18 July 2014 entered into by Smartech Services Limited (“Smartech Services”, an indirectly 100% owned subsidiary of the Company) as tenant for two office units 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 2014 to 31 July 2015.
  - (b) A tenancy agreement dated 20 December 2013 entered into by Smartech Services as tenant for a factory unit used as warehouse at Suite 12, 5th Floor, Yuen Fat Industrial Building, 25 Wang Chiu Road, Kowloon Bay, Hong Kong at a monthly rental of HK\$8,000 for the term from 1 January 2014 to 31 December 2016.

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 contract of significance to which the Company, its subsidiaries, its fellow subsidiaries or its holding company 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.

## **COMPETING INTERESTS**

The Board is not aware of any Director or controlling shareholder and the respective associates of each having any interests in a business that competes or may compete with the business of the Group.

## **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 report, the Company has maintained the prescribed public float under the GEM Listing Rules.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company, nor any of its subsidiaries purchased, sold, or redeemed any of the Company’s listed securities during the six months ended 30 June 2015.

## CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2015, the Company 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 CG Code provision A.2.1, the Directors confirmed that they were not aware of any other deviation from the CG Code during the period then ended.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Since 18 August 2014, Mr. SONG Yuqing (“Mr. SONG”) has assumed the role of both the chairman of the board (“Chairman”) and the chief executive officer (“Chief Executive Officer”) of the Company. As such, such dual role constitutes a deviation from CG Code provision A.2.1.

The Board considers that: (i) the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and Chief Executive Officer; (ii) Mr. SONG as the Chairman and Chief Executive Officer 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 of the Company; 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 chief executive officer 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 six months ended 30 June 2015, the Company had applied the principals 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 had complied with or they were not aware of any non-compliance with the Required Standard of Dealings during the six months ended 30 June 2015.

## REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive Directors, Dr. CHAN Yan Cheong (as the committee chairman), Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred. The Audit Committee has reviewed with the management the unaudited consolidated financial results and financial information of the Company for the six months ended 30 June 2015.

## INDEPENDENT REVIEW

Crowe Horwath (HK) CPA Limited has been engaged to review the financial statements of the Group for the purpose of the interim results of the Company for the six months ended 30 June 2015.

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

Hong Kong, 6 August 2015

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

Mr. SONG Yuqing	<i>(Executive Director, Chairman and Chief Executive Officer)</i>
Ms. CHEUNG Siu Ling	<i>(Executive Director)</i>
Mr. LIAO Feng	<i>(Executive Director)</i>
Ms. LIU Yujie	<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>



國富浩華(香港)會計師事務所有限公司  
**Crowe Horwath (HK) CPA Limited**  
 Member Crowe Horwath International

香港 銅鑼灣 禮頓道77號 禮頓中心9樓  
 9/F Leighton Centre,  
 77 Leighton Road,  
 Causeway Bay, Hong Kong

Review report to the board of directors of  
**New Universe International Group Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

## Introduction

We have reviewed the interim financial report set out on pages 25 to 52 which comprises the consolidated statement of financial position of New Universe International Group Limited (the “Company”) as of 30 June 2015 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and certain explanatory notes. The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34. Our responsibility is to form a conclusion based on our review on the interim financial report, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.



## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2015 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, Interim Financial Reporting.

## **Crowe Horwath (HK) CPA Limited**

*Certified Public Accountants*

## **LEUNG Chun Wa**

Practising Certificate Number: P04963

Hong Kong, 6 August 2015

**CONSOLIDATED INCOME STATEMENT**

	Note	Three months ended 30 June		Six months ended 30 June	
		2015	2014	2015	2014
		(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Revenue</b>	5	<b>76,859</b>	62,791	<b>147,555</b>	123,379
Cost of sales		<b>(39,728)</b>	(34,534)	<b>(75,606)</b>	(65,594)
<b>Gross profit</b>		<b>37,131</b>	28,257	<b>71,949</b>	57,785
Other revenue	6	<b>4,527</b>	4,355	<b>4,962</b>	4,420
Other net income	7	<b>128</b>	111	<b>2,848</b>	6,564
Distribution and selling expenses		<b>(3,327)</b>	(3,087)	<b>(6,507)</b>	(6,819)
Administrative expenses		<b>(10,370)</b>	(8,458)	<b>(18,941)</b>	(18,068)
Other operating expenses		<b>(2,868)</b>	(5,135)	<b>(6,249)</b>	(7,339)
<b>Operating profit</b>		<b>25,221</b>	16,043	<b>48,062</b>	36,543
Finance income	8	<b>328</b>	312	<b>551</b>	705
Finance costs	8	<b>(711)</b>	(763)	<b>(1,510)</b>	(1,447)
Finance costs, net	8	<b>(383)</b>	(451)	<b>(959)</b>	(742)
Share of profits of an associate		<b>1,190</b>	1,792	<b>3,548</b>	527
<b>Profit before taxation</b>	9	<b>26,028</b>	17,384	<b>50,651</b>	36,328
Income tax	10	<b>2,482</b>	(3,677)	<b>(2,794)</b>	(9,183)
<b>Profit for the period</b>		<b>28,510</b>	13,707	<b>47,857</b>	27,145
<b>Attributable to:</b>					
Owners of the Company		<b>21,923</b>	11,070	<b>36,234</b>	21,888
Non-controlling interests		<b>6,587</b>	2,637	<b>11,623</b>	5,257
		<b>28,510</b>	13,707	<b>47,857</b>	27,145

The notes on pages 32 to 52 are an integral part of these consolidated financial statements.

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
Note	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)

### Earnings per share

attributable to owners of  
the Company during the period  
(expressed in HK cents per share)

Basic and diluted	11	<b>0.75 cents</b>	0.41 cents	<b>1.27 cents</b>	0.82 cents
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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Profit for the period</b>	<b>28,510</b>	13,707	<b>47,857</b>	27,145
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit and loss</i>				
Exchange differences				
– on translation of financial statements of overseas subsidiaries	(116)	(365)	(4,788)	(4,905)
– on translation of financial statements of an overseas associate	3	(19)	(139)	(138)
Fair value changes on available-for-sale equity investments	7,700	14,800	4,600	13,400
Tax effect relating to changes in fair value of available-for-sale equity investments	(770)	(1,480)	(460)	(1,340)
Other comprehensive income for the period, net of tax	6,817	12,936	(787)	7,017
<b>Total comprehensive income for the period</b>	<b>35,327</b>	26,643	<b>47,070</b>	34,162
<b>Attributable to:</b>				
Owners of the Company	28,766	24,054	36,175	29,531
Non-controlling interests	6,561	2,589	10,895	4,631
	<b>35,327</b>	26,643	<b>47,070</b>	34,162

The notes on pages 32 to 52 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	13	<b>542,296</b>	505,640
Prepaid lease payments	14	<b>92,809</b>	94,236
Goodwill		<b>33,000</b>	33,000
Interest in an associate		<b>18,207</b>	16,756
Available-for-sale equity investments		<b>89,600</b>	85,000
		<b>775,912</b>	734,632
<b>Current assets</b>			
Inventories		<b>1,230</b>	1,379
Trade and bills receivables	15	<b>45,527</b>	45,638
Prepayments, deposits and other receivables	16	<b>22,505</b>	16,615
Dividend receivables		<b>4,121</b>	–
Prepaid lease payments	14	<b>2,694</b>	2,711
Pledged time deposits		<b>8,444</b>	10,313
Cash and cash equivalents	17	<b>166,432</b>	121,780
		<b>250,953</b>	198,436
<b>Current liabilities</b>			
Interest-bearing bank borrowings	18	<b>32,688</b>	40,788
Trade payables	19	<b>2,443</b>	2,152
Accrued liabilities and other payables	20	<b>97,478</b>	98,050
Deposits received from customers		<b>4,701</b>	901
Deferred government grants		<b>469</b>	455
Income tax payable		<b>8,060</b>	9,796
		<b>145,839</b>	152,142
<b>Net current assets</b>		<b>105,114</b>	46,294
<b>Total assets less current liabilities</b>		<b>881,026</b>	780,926



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

		<b>30 June</b>	31 December
		<b>2015</b>	2014
		<b>(Unaudited)</b>	(Audited)
	Note	<b>HK\$'000</b>	HK\$'000
<b>Non-current liabilities</b>			
Interest-bearing bank borrowings	18	<b>3,750</b>	1,260
Other interest-bearing borrowings	21	<b>30,000</b>	48,000
Deferred government grants		<b>4,317</b>	4,671
Deferred tax liabilities		<b>25,945</b>	25,742
		<b>64,012</b>	79,673
<b>Net assets</b>			
		<b>817,014</b>	701,253
<b>Capital and reserves</b>			
Share capital	22	<b>29,557</b>	27,557
Reserves		<b>703,847</b>	600,981
<b>Equity attributable to owners of the Company</b>			
		<b>733,404</b>	628,538
Non-controlling interests		<b>83,610</b>	72,715
<b>Total equity</b>			
		<b>817,014</b>	701,253

The notes on pages 32 to 52 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Investment revaluation reserve	Capital reserve	Statutory reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2014 (Audited)</b>	26,557	305,084	41,305	5,050	4,795	16,718	150,197	549,706	58,551	608,257
Change in equity for the 6 months ended 30 June 2014										
Profit for the period	-	-	-	-	-	-	21,888	21,888	5,257	27,145
Other comprehensive income	-	-	(4,417)	12,060	-	-	-	7,643	(626)	7,017
Total comprehensive income	-	-	(4,417)	12,060	-	-	21,888	29,531	4,631	34,162
Contribution from non-controlling shareholder	-	-	-	-	-	-	-	-	6,565	6,565
<b>At 30 June 2014 and 1 July 2014 (Unaudited)</b>	26,557	305,084	36,888	17,110	4,795	16,718	172,085	579,237	69,747	648,984
Change in equity for the 6 months ended 31 December 2014										
Profit for the period	-	-	-	-	-	-	35,265	35,265	9,469	44,734
Other comprehensive income	-	-	(8,139)	3,690	-	-	-	(4,449)	(309)	(4,758)
Total comprehensive income	-	-	(8,139)	3,690	-	-	35,265	30,816	9,160	39,976
Issue of ordinary shares, net of share issuance costs of HK\$310,000	1,000	28,690	-	-	-	-	-	29,690	-	29,690
Transfer to statutory reserve	-	-	-	-	-	6,402	(5,391)	1,011	(1,011)	-
Dividend relating 2013	-	-	-	-	-	-	(12,216)	(12,216)	-	(12,216)
Dividend paid to non-controlling shareholders relating to 2013	-	-	-	-	-	-	-	-	(5,181)	(5,181)
<b>At 31 December 2014 and 1 January 2015 (Audited)</b>	27,557	333,774	28,749	20,800	4,795	23,120	189,743	628,538	72,715	701,253
Change in equity for the 6 months ended 30 June 2015										
Profit for the period	-	-	-	-	-	-	36,234	36,234	11,623	47,857
Other comprehensive income	-	-	(4,199)	4,140	-	-	-	(59)	(728)	(787)
Total comprehensive income	-	-	(4,199)	4,140	-	-	36,234	36,175	10,895	47,070
Issue of ordinary shares, net of share issuance costs of HK\$309,000	2,000	66,691	-	-	-	-	-	68,691	-	68,691
<b>At 30 June 2015 (Unaudited)</b>	29,557	400,465	24,550	24,940	4,795	23,120	225,977	733,404	83,610	817,014

The notes on pages 32 to 52 are an integral part of these consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	Six months ended 30 June	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>Operating activities</b>			
Net cash generated from operating activities		54,697	21,597
<b>Investing activities</b>			
– Capital contribution to available-for-sale equity investments		–	(360)
– Payments for purchases of property, plant and equipment		(56,629)	(24,525)
– Proceeds from disposal of property, plant and equipment		36	–
– Receipt of government grants		196	380
Net cash used in investing activities		(56,397)	(24,505)
<b>Financing activities</b>			
– Proceeds from bank borrowings		8,740	14,660
– Repayment of interest-bearing bank borrowings		(14,350)	(13,944)
– Release of pledged time deposits to repay bank borrowings		1,869	–
– Proceeds from other interest-bearing borrowings		–	9,000
– Repayment of other interest-bearing borrowings		(18,000)	–
– Proceeds from issuance of new ordinary shares		69,000	–
– Expenses paid in relation to issuance of new ordinary shares		(309)	–
– Capital contribution from non-controlling shareholder		–	6,565
Net cash generated from financing activities		46,950	16,281
<b>Net increase in cash and cash equivalents</b>		<b>45,250</b>	<b>13,373</b>
<b>Cash and cash equivalents at 1 January</b>		<b>121,780</b>	<b>109,827</b>
Effect of foreign exchange rate changes		(598)	(670)
<b>Cash and cash equivalents at 30 June</b>	17	<b>166,432</b>	<b>122,530</b>

The notes on pages 32 to 52 are an integral part of these consolidated financial statements.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 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) These unaudited consolidated 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. 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\$, that 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. Basis of preparation

The interim financial report for the six months ended 30 June 2015 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The interim financial report of the Company for the six months ended 30 June 2015 was approved and authorised for issue by the board of Directors on 6 August 2015.

The interim financial report for the six months ended 30 June 2015 has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. This interim financial report contains consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report for the six months ended 30 June 2015 is unaudited, but has been reviewed by Crowe Horwath (HK) CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the HKICPA. The independent review report of Crowe Horwath (HK) CPA Limited to the board of directors of the Company is included on pages 23 to 24.

The financial information relating to the financial year ended 31 December 2014 that is included in the interim financial report as comparative information does not constitute the Group’s financial statements for that financial year but is derived from those annual financial statements.

### 3. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Segment information

(a) Segment revenue, results, assets and liabilities

Information regarding the Group's reportable segments for the period under review is as follows:

	Operating segments							
	Environmental waste treatment services		Environmental sewage treatment and facility provision services		Plastic dyeing investments		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	98,759	86,135	48,796	37,244	-	-	147,555	123,379
Other revenue	435	68	-	-	4,527	4,352	4,962	4,420
Reportable segment revenue	99,194	86,203	48,796	37,244	4,527	4,352	152,517	127,799
Reportable segment results	45,332	29,360	7,089	4,208	4,103	3,946	56,524	37,514
Other net income	2,350	2,710	497	218	-	-	2,847	2,928
Interest income	254	424	235	146	-	-	489	570
Interest expenses	366	604	1,144	843	-	-	1,510	1,447
Depreciation	9,045	7,614	6,513	6,122	-	-	15,558	13,736
Amortisation	235	303	979	982	-	-	1,214	1,285
Additions to property, plant and equipment	44,807	19,049	10,282	5,435	-	-	55,089	24,484
	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	482,542	410,549	384,036	402,746	93,893	85,179	960,471	898,474
Reportable segment liabilities	109,259	95,892	87,264	122,225	2,660	2,200	199,183	220,317

## 4. Segment information (continued)

## (b) Reconciliation of reportable segment revenue and results

	Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>Revenue</b>		
Consolidated Revenue	147,555	123,379
Elimination of inter-segment revenue	–	–
Other revenue	4,962	4,420
<b>Reportable segment revenue</b>	<b>152,517</b>	<b>127,799</b>
<b>Profit</b>		
Reportable segment profit	56,524	37,514
Unallocated head office and corporate expenses	(5,873)	(1,186)
<b>Consolidated profit before taxation</b>	<b>50,651</b>	<b>36,328</b>

## (c) Reconciliation of reportable segment assets and liabilities

	30 June	31 December
	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
<b>Assets</b>		
Reportable segment assets	960,471	898,474
Unallocated head office and corporate assets	66,394	34,594
<b>Consolidated total assets</b>	<b>1,026,865</b>	<b>933,068</b>
<b>Liabilities</b>		
Reportable segment liabilities	199,183	220,317
Unallocated head office and corporate liabilities	10,668	11,498
<b>Consolidated total liabilities</b>	<b>209,851</b>	<b>231,815</b>

4. Segment information (continued)

(d) Geographical information

Reportable segment revenue of the Group based on geographical location of customers is analysed as follows:

	Six months ended 30 June	
	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Mainland China	152,517	127,799

5. Revenue

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Environmental waste treatment service income	50,413	42,743	98,759	86,135
Industrial sewage treatment and facility provision services income	26,446	20,048	48,796	37,244
	76,859	62,791	147,555	123,379

6. Other revenue

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Dividend income from available-for-sale equity investments	4,527	4,352	4,527	4,352
Scrap sales	–	3	435	68
	4,527	4,355	4,962	4,420

## 7. Other net income

	Three months ended 30 June		Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Derecognition of liabilities of de-registered subsidiaries	–	–	–	3,636
Government environmental subsidies	–	–	2,316	2,710
Release of deferred governmental grants	118	111	496	218
Sundry	10	–	36	–
	<b>128</b>	<b>111</b>	<b>2,848</b>	<b>6,564</b>

## 8. Finance income and costs

	Three months ended 30 June		Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Finance income from:				
Interest income on short-term bank deposits	327	473	490	880
Net foreign exchange gain/(loss) on financing activities	1	(161)	61	(175)
<b>Total finance income</b>	<b>328</b>	<b>312</b>	<b>551</b>	<b>705</b>
Interest expenses on:				
Bank borrowings wholly repayable within 5 years	389	450	714	860
Other borrowings wholly repayable within 5 years	322	313	796	587
<b>Total finance costs</b>	<b>711</b>	<b>763</b>	<b>1,510</b>	<b>1,447</b>
<b>Net finance costs</b>	<b>383</b>	<b>451</b>	<b>959</b>	<b>742</b>

9. Profit before taxation

Profit before taxation was arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Cost of sales (note)	39,728	34,534	75,606	65,594
Depreciation of property, plant and equipment	8,482	7,030	15,758	13,808
Amortisation of land lease prepayments	607	643	1,214	1,285
Operating lease charges for minimum lease payments				
– Land and buildings in Hong Kong	174	84	348	168
– Land and buildings in PRC	347	–	648	–
– Landfill in PRC	37	37	44	44

Note:

Included in cost of sales were raw materials consumed of HK\$9,532,000 (2014: HK\$11,694,000), staff costs of HK\$12,271,000 (2014: HK\$9,628,000) and depreciation of HK\$13,564,000 (2014: HK\$12,118,000), and of which depreciation was included in the respective amount disclosed above.



## 10. Income tax

Income tax in the consolidated income statement represents:

	Three months ended 30 June		Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current tax:				
Hong Kong Profits Tax	–	–	–	–
PRC Income Tax	5,439	3,814	10,844	9,456
Over-provision in prior periods	(7,793)	–	(7,793)	–
	<b>(2,354)</b>	3,814	<b>3,051</b>	9,456
Deferred tax	<b>(128)</b>	(137)	<b>(257)</b>	(273)
	<b>(2,482)</b>	3,677	<b>2,794</b>	9,183

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

## 11. Earnings per share

The calculation of the 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\$36,234,000 for the six months ended 30 June 2015 (2014: HK\$21,888,000) and the weighted average number of 2,847,409,725 (2014: 2,655,697,018) ordinary shares of the Company in issue during the period.

(a) Profit attributable to owners of the Company:

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Earnings for the purpose of basic and diluted earnings per share	<b>21,923</b>	11,070	<b>36,234</b>	21,888

(b) Weighted average number of ordinary shares:

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Ordinary shares in issue at the beginning of the period	<b>2,755,697,018</b>	2,655,697,018	<b>2,755,697,018</b>	2,655,697,018
Ordinary shares issued upon the completion of the share subscription agreement on 9 April 2015	<b>200,000,000</b>	-	<b>200,000,000</b>	-
Total number of ordinary shares in issue at the end of the period	<b>2,955,697,018</b>	2,655,697,018	<b>2,955,697,018</b>	2,655,697,018
Weighted average number of ordinary shares in issue during the period	<b>2,938,114,600</b>	2,655,697,018	<b>2,847,409,725</b>	2,655,697,018

There were no dilutive ordinary shares in existence during the period under review; therefore, diluted earnings per share is the same as basic earnings per share.



**12. Dividend**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

**13. Property, plant and equipment**

Movements in property, plant and equipment are analysed as follows:

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
<b>Carrying amount at 1 January</b>	<b>505,640</b>	435,844
Additions	<b>56,629</b>	113,896
Disposals	<b>(915)</b>	(15,452)
Depreciation		
– charge for the period/year	<b>(15,758)</b>	(27,886)
– eliminated on disposals	<b>772</b>	5,329
Impairment loss recognised in profit and loss	<b>–</b>	(1,738)
Exchange adjustments	<b>(4,072)</b>	(4,353)
<b>Carrying amount at the end of the reporting period</b>	<b>542,296</b>	505,640

As at 30 June 2015, certain property, plant and equipment of the Group with an aggregate carrying amount of approximately HK\$18,569,000 (31 December 2014: Nil) had been pledged to secure banking facilities granted to the Group.

#### 14. Prepaid lease payments

Movements in prepaid lease payments are analysed as follows:

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
<b>Carrying amount at 1 January</b>	<b>96,947</b>	105,129
Disposals	–	(5,573)
Amortisation	<b>(1,214)</b>	(2,536)
Eliminated on disposals	–	212
Exchange adjustments	<b>(230)</b>	(285)

<b>Carrying amount at the end of the reporting period</b>	<b>95,503</b>	96,947
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	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
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#### Carrying amount analysed for reporting purposes as:

Current assets	<b>2,694</b>	2,711
Non-current assets	<b>92,809</b>	94,236
	<b>95,503</b>	96,947

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
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#### Carrying amount analysed for expiry of lease terms as:

Remaining lease periods of over 50 years	–	–
Remaining lease periods between 10 to 50 years	<b>95,503</b>	96,947
	<b>95,503</b>	96,947

Prepaid lease payments represents interests of the Group in land use rights held in the Jiangsu Province, PRC.

As at 30 June 2015, certain land use rights of the Group with an aggregate carrying amount of approximately HK\$15,383,000 (31 December 2014: HK\$6,777,000) had been pledged to secure banking facilities granted to the Group.

## 15. Trade and bills receivables

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
Trade receivables	<b>35,165</b>	36,216
Less: allowance for impairment of trade receivables	–	–
	<b>35,165</b>	36,216
Bills receivable	<b>10,362</b>	9,422
	<b>45,527</b>	45,638

## (a) Aging 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:

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
0 to 30 days	<b>20,262</b>	25,445
31 to 60 days	<b>13,168</b>	8,393
61 to 90 days	<b>6,239</b>	4,677
91 to 180 days	<b>3,900</b>	4,793
181 to 360 days	<b>1,958</b>	2,330
Over 360 days	–	–
	<b>45,527</b>	45,638

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 environmental waste treatment and industrial sewage and sludge treatment services, and an extended average credit period of 180 days to the customers of regulated medical treatment which are hospitals and medical clinics.

## 15. Trade and bills receivables (continued)

## (b) Analysis of trade receivables not being impaired

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 ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Neither past due nor impaired	33,430	33,838
Less than 30 days past due	6,239	4,677
More than 30 days but less than 90 days past due	3,900	4,793
More than 90 days but less than 360 days past due	1,958	2,330
	<b>45,527</b>	<b>45,638</b>

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 relate to a number of independent customers that have a good track record with the Group. Based on past experience, 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.

## 16. Prepayments, deposits and other receivables

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Prepayments and other receivables	11,725	5,749
Deposits paid on acquisition of land use rights	5,250	5,292
Compensation receivable on plant relocation	5,530	5,574
	<b>22,505</b>	<b>16,615</b>

**17. Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position and condensed consolidated statement of cash flows comprise:

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
Cash at banks and in hand	<b>166,432</b>	121,780

**18. Interest-bearing bank borrowings**

At the end of the reporting period, interest-bearing bank borrowings were repayable as follows:

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
<b>Current liabilities</b>		
Within 1 year or on demand	<b>32,688</b>	40,788
<b>Non-current liabilities</b>		
Between 1 year and 2 years	<b>3,750</b>	1,260
Between 2 years and 5 years	–	–
Over 5 years	–	–
	<b>3,750</b>	1,260
	<b>36,438</b>	42,048

## 19. Trade payables

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

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
0 to 30 days	2,363	2,011
31 to 60 days	22	22
61 to 90 days	–	47
Over 90 days	58	72
	<b>2,443</b>	<b>2,152</b>

## 20. Accrued liabilities and other payables

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
Salaries and productivity bonuses payable	10,833	12,817
Payable for acquisition of property, plant and equipment	45,301	39,155
Other payables and accruals	41,344	46,078
	<b>97,478</b>	<b>98,050</b>

## 21. Other interest-bearing borrowings

Other interest-bearing borrowings represent unsecured loans from an independent third party, bearing interest at 4.0% per annum (2014: 2.5% to 4.0%) and repayable on 31 December 2017 (31 December 2014: repayable on 31 December 2016).

## 22. Share capital

	Number of shares		Share capital	
	30 June 2015 (Unaudited) '000	31 December 2014 (Audited) '000	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
<b>Ordinary shares of HK\$0.01 each</b>				
<b>Authorised</b>				
At 1 January and at the end of the reporting period	100,000,000	100,000,000	1,000,000	1,000,000
<b>Issued and fully paid</b>				
At 1 January	2,755,697	2,655,697	27,557	26,557
Issue of ordinary shares (notes (a) and (b))	200,000	100,000	2,000	1,000
At the end of the reporting period	2,955,697	2,755,697	29,557	27,557

### Notes:

- (a) On 18 December 2014, the Company entered into a conditional subscription agreement with a subscriber in relation to the subscription of 100,000,000 new ordinary shares of the Company at a subscription price of HK\$0.3 per subscription share to be allotted and issued to the subscriber, Mr. HUANG Zhiwen (a businessman), upon completion of the subscription agreement. Upon the granting of the approval for the listing of, and the permission to deal in, the said subscription shares by the Stock Exchange, the condition of the subscription agreement had been fulfilled, and the completion of the subscription agreement took place on 24 December 2014. Under general mandate granted to the directors of the Company, 100,000,000 new ordinary shares of aggregate nominal value of HK\$1,000,000 were allotted and issued at a net proceed of approximately HK\$29,690,000 (after deduction of the related expenses of approximately HK\$310,000) or at a net price per subscription share of approximately HK\$0.2969. Pursuant to the said subscription agreement, the subscription of the 100,000,000 ordinary shares is subject to a lock-up period of 12 months commencing from the completion date.

## 22. Share capital (continued)

- (b) On 31 March 2015, the Company entered into a conditional subscription agreement with a subscriber in relation to the subscription of 200,000,000 new ordinary shares of the Company at a subscription price of HK\$0.345 per subscription share to be allotted and issued to the subscriber, Ms. LIU Yujie (a businesswoman who subsequently became an executive director of the Company with effect from 9 June 2015) upon completion of the subscription agreement. Upon the granting of the approval for the listing of, and the permission to deal in, the said subscription shares by the Stock Exchange, the condition of the subscription agreement had been fulfilled, and the completion of the subscription agreement took place on 9 April 2015. Under general mandate granted to the directors of the Company, 200,000,000 new ordinary shares of aggregate nominal value of HK\$2,000,000 were allotted and issued at a net proceed of approximately HK\$68,691,000 (after deduction of the related expenses of approximately HK\$309,000) or at a net price per subscription share of approximately HK\$0.3435. Pursuant to the said subscription agreement, the subscriber has undertaken to the Company that she will not, directly or indirectly: (i) in respect of 25% of the said 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 said 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 subscription shares as aforementioned.

## 23. Fair value measurement of financial instruments

### (a) Financial assets measured at fair value

Categorisation as at 30 June 2015				
	Fair value at 30 June 2015 HK\$'000	Unadjusted quoted prices in active markets for identical assets (Level 1) HK\$'000	Other observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000
Recurring fair value measurement				
Available-for-sale equity investments	89,600	–	–	89,600

Categorisation as at 31 December 2014				
	Fair value at 31 December 2014 HK\$'000	Unadjusted quoted prices in active markets for identical assets (Level 1) HK\$'000	Other observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000
Recurring fair value measurement				
Available-for-sale equity investments	85,000	–	–	85,000

During the six months ended 30 June 2015, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3 (2014: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

### (b) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Marketability discount	
			30 June 2015	31 December 2014
Unlisted available-for-sale equity investments	Market comparable companies	Discount for lack of marketability	16%	16%

## 24. Commitments

### (a) Capital commitments

The Group had the following capital commitments not provided for in the financial statements at the end of the reporting period:

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
Contracted for	<b>71,043</b>	155,205

### (b) Operating lease commitments

The Group as lessee had commitment for the following minimum lease payments:

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
Office premises	<b>202</b>	595
Plant premises	<b>1,200</b>	605
Landfill	<b>25</b>	25
	<b>1,427</b>	1,225

At the end of the reporting period, the Group had commitment for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>30 June 2015 (Unaudited) HK\$'000</b>	31 December 2014 (Audited) HK\$'000
Within 1 year	<b>1,366</b>	1,116
After 1 year but within 5 years	<b>61</b>	109
After 5 years	<b>–</b>	–
	<b>1,427</b>	1,225

## 25. Related party transactions

### (a) List of related parties

During the period under review, the directors of the Company are of the view that the following parties are related parties to the Group:

Name of related party	Relationship
New Universe Enterprises Limited (“NUEL”)	A substantial shareholder beneficially holds 36.26% of the issued share capital of the Company
Mr. XI Yu	83.66% of the issue share capital of NUEL is held under the name of Mr. XI Yu
Ms. CHEUNG Siu Ling	12.14% of the issued share capital of NUEL is held by Ms. CHEUNG Siu Ling and her spouse, Mr. CHU Yuk Ngai. Ms. CHEUNG Siu Ling is an executive director of the Company, and she is also a director of NUEL, New Universe Holdings Limited (“NUHL”) and Sun Ngai International Investment Limited (“Sun Ngai”)
Mr. SUEN KI	4.20% of the issued share capital of NUEL is held by Mr. SUEN Ki. Mr. SUEN Ki is a non-executive director of the Company, and he is also a director of NUEL
Sun Ngai	100% owned subsidiary of NUHL; Ms. CHEUNG Siu Ling and her spouse, Mr. CHU Yuk Ngai are directors of Sun Ngai
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, of which 30% of its equity interest is directly held by Zhenjiang New Universe Solid Waste Disposal Company Limited, or 24.6% of its effective equity interest is indirectly held by the Company

\* For identification purposes only

25. Related party transactions (continued)

(b) Transactions with related parties

	Six months ended 30 June	
	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Recurring transactions:</b>		
Rental paid to Sun Ngai	348	168
Consultancy fees paid to Mr. Xi Yu	72	–
Landfill charges on hazardous waste disposal paid to Zhenjiang New District	449	1,127
	<hr/>	<hr/>

(c) Guarantees from related parties

- (i) As at 30 June 2015, the Group's bank borrowings of HK\$6,300,000 (31 December 2014: HK\$7,700,000) were secured by personal guarantee provided by Ms. CHEUNG Siu Ling.
- (ii) As at 30 June 2015, the Group's bank borrowings of HK\$6,300,000 (31 December 2014: HK\$7,700,000) were secured by personal guarantee provided by Mr. SUEN Ki.

(d) Key management personnel remuneration

	Six months ended 30 June	
	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Salaries and other benefits	2,987	3,100
Discretionary bonuses	–	–
Retirement scheme contributions	43	37
	<hr/>	<hr/>
	3,030	3,137
	<hr/>	<hr/>

26. Non-adjusting event after the reporting period

On 14 July 2015, a standby loan facility of HK\$500,000,000 ("Facility") was granted by CM International Capital Limited ("CMIC Cayman") to the Company for supporting the new establishment and merger and acquisition of appropriate environmental project(s) of the Company. Within an availability period of one year, the loan(s) to be drawn down under the Facility shall bear interest at 7% per annum, and for each drawdown (each tranche shall not be less than HK\$50,000,000) the Company shall enter into a loan agreement in the form acceptable to both parties, including the provision of credit enhancement that CMIC Cayman may request for at its discretion. Details of the Facility are set out in the Company's announcement dated 14 July 2015.