



New Universe International Group Limited

新宇國際實業(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8068)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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This announcement, for which the directors (the “Directors”) of NEW UNIVERSE INTERNATIONAL GROUP LIMITED (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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:

- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading;
- (2) there are no other matters the omission of which would make any statement in this announcement misleading; and
- (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL HIGHLIGHTS

- The Group's turnover was HK\$75,194,000 in 2008 (2007: HK\$52,028,000)
- Profit for the year attributable to equity holders of the Company increased to HK\$8,381,000 (2007: HK\$1,873,000)
- Earnings per share from both continuing and discontinued operations for the year 2008 was Hong Kong cents 0.46 (2007: Hong Kong cents 0.15)
- Total equity of the Group was HK\$283,679,000 at 31 December 2008 (2007: HK\$261,087,000)

The board of directors (the “Board”) of New Universe International Group Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2008, together with the comparative audited figures for 2007.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2008

		2008	Restated 2007
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Continuing operations			
Turnover	5	75,194	52,028
Cost of sales		(46,594)	(42,848)
Gross profit		28,600	9,180
Other revenue and income	5	4,498	3,244
Excess of fair value of net assets over the cost of acquisition of interests in associates	18	4,298	–
Excess of fair value of net assets over the cost of acquisition of interests in subsidiaries		–	6,057
Impairment of available-for-sale equity investments		(4,012)	–
Gain on disposal of subsidiaries		–	4,042
Selling and distribution costs		(5,737)	(3,551)
Administrative expenses		(11,872)	(11,832)
Other operating expenses		(5,226)	(4,793)
Share of profits of associates, net		922	90
Finance costs	6	(1,700)	(785)
Profit before income tax		9,771	1,652
Income tax	7	–	–
Profit for the year from continuing operations	8	9,771	1,652
Discontinued operation			
Profit for the year from discontinued operation	10	679	536
Profit for the year		10,450	2,188

	<i>Notes</i>	2008 HK\$'000	Restated 2007 <i>HK\$'000</i>
Attributable to:			
Equity holders of the Company			
Continuing operations		7,702	1,337
Discontinued operation		679	536
		<u>8,381</u>	<u>1,873</u>
Minority interests			
Continuing operations		2,069	315
Discontinued operation		–	–
		<u>2,069</u>	<u>315</u>
		<u>10,450</u>	<u>2,188</u>
Earnings per share	9		
for profit attributable to equity holders of the Company (<i>expressed in HK cents per share</i>)			
From continuing and discontinued operations			
Basic and diluted		<u>0.46</u>	<u>0.15</u>
From continuing operations			
Basic and diluted		<u>0.42</u>	<u>0.10</u>
From discontinued operations			
Basic and diluted		<u>0.04</u>	<u>0.05</u>

CONSOLIDATED BALANCE SHEET

31 December 2008

	<i>Notes</i>	2008 HK\$'000	2007 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		63,083	51,296
Land lease prepayments		22,295	22,349
Deposits paid for docks development	11, 12	–	49,796
Docks development costs	11, 12	–	5,550
Goodwill		33,688	33,688
Interests in associates		36,962	4,778
Available-for-sale equity investments		48,900	57,022
		<u>204,928</u>	<u>224,479</u>
Current assets			
Inventories		10,052	10,706
Trade and bills receivables	13	13,811	9,168
Prepayments, deposits and other receivables	14	3,603	10,624
Land lease prepayments		508	498
Cash and cash equivalents		23,128	44,421
		<u>51,102</u>	<u>75,417</u>
Assets of disposal group classified as held for sale	11	<u>90,103</u>	–
		<u>141,205</u>	<u>75,417</u>
LIABILITIES			
Current liabilities			
Interest-bearing bank borrowings		10,170	9,184
Trade and bills payables	15	4,437	4,666
Deposits received		8,177	8,959
Accrued liabilities and other payables		12,209	8,091
Obligations under finance leases		4	5
Amount due to a related company		19	419
		<u>35,016</u>	<u>31,324</u>
Liabilities directly associated with assets of disposal group classified as held for sale	11	<u>1</u>	–
		<u>35,017</u>	<u>31,324</u>
Net current assets		<u>106,188</u>	<u>44,093</u>
Total assets less current liabilities		<u>311,116</u>	<u>268,572</u>

	<i>Notes</i>	2008 HK\$'000	2007 HK\$'000
Non-current liabilities			
Promissory notes		19,956	–
Deferred tax liabilities		5,065	5,065
Obligations under finance leases		–	4
Shareholder's loan		2,416	2,416
		<u>27,437</u>	<u>7,485</u>
Net assets		<u>283,679</u>	<u>261,087</u>
CAPITAL AND RESERVES			
Share capital		18,259	18,259
Reserves	16	257,174	237,411
Equity attributable to equity holders of the Company		275,433	255,670
Minority interests		8,246	5,417
Total equity		<u>283,679</u>	<u>261,087</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2008

	Attributable to equity holders of the Company						Sub-total HK\$'000	Minority interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Exchange fluctuation reserve HK\$'000	Investments revaluation reserve HK\$'000	Distributable reserve HK\$'000	Accumulated losses HK\$'000			
At 1 January 2007	1,490	-	1,357	-	31,929	(10,589)	24,187	300	24,487
Fair value gain on available for sale equity investments	-	-	-	4,110	-	-	4,110	-	4,110
Exchange differences arising on translation of foreign operations	-	-	5,827	-	-	-	5,827	(4)	5,823
Net income/(expense) recognized directly in equity	-	-	5,827	4,110	-	-	9,937	(4)	9,933
Profit for the year	-	-	-	-	-	1,873	1,873	315	2,188
Total recognized income/(expense) for the year	-	-	5,827	4,110	-	1,873	11,810	311	12,121
Rights issue	10,427	93,845	-	-	-	-	104,272	-	104,272
Issue of new shares	6,342	114,158	-	-	-	-	120,500	-	120,500
Share issue expenses	-	(1,515)	-	-	-	-	(1,515)	-	(1,515)
Acquisition of subsidiaries	-	-	-	-	-	-	-	4,806	4,806
Disposal of a subsidiary	-	-	(3,584)	-	-	-	(3,584)	-	(3,584)
At 31 December 2007 and at 1 January 2008	18,259	206,488	3,600	4,110	31,929	(8,716)	255,670	5,417	261,087
Impairment on available for sale equity investments	-	-	-	(4,110)	-	-	(4,110)	-	(4,110)
Exchange differences arising on translation of foreign operations	-	-	14,598	-	-	-	14,598	760	15,358
Net income/(expense) recognized directly in equity	-	-	14,598	(4,110)	-	-	10,488	760	11,248
Profit for the year	-	-	-	-	-	8,381	8,381	2,069	10,450
Total recognized income/(expense) for the year	-	-	14,598	(4,110)	-	8,381	18,869	2,829	21,698
Share of reserves of associates	-	-	894	-	-	-	894	-	894
At 31 December 2008	<u>18,259</u>	<u>206,488</u>	<u>19,092</u>	<u>-</u>	<u>31,929</u>	<u>(335)</u>	<u>275,433</u>	<u>8,246</u>	<u>283,679</u>

NOTES

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company's shares are listed on the GEM of the Stock Exchange. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

At 31 December 2008, the directors of the Company consider the ultimate parent of the Group to be New Universe Enterprises Limited ("NUEL"), which is a limited liability company incorporated in the British Virgin Islands.

These financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. The Group is engaged in the following principal activities:

- (i) medical and industrial waste environmental disposal services;
- (ii) the manufacturing and sale of molds and plastic products; and
- (iii) strategic investments in plastics dyeing businesses.

During the year, with a view to rationalise the Group's operations, the Group discontinued the property investment, development and operation of docks, warehouses and logistics facilities in Zhenjiang City, Jiangsu Province, the People's Republic of China (the "Zhenjiang Docks Project" or the "disposal group") by disposing of its entire 100% equity interests in Zhenjiang, New Universe International (Zhenjiang) Port Company Limited (新宇國際(鎮江)港務有限公司) ("Zhenjiang Port Company") and New Universe International (Zhenjiang) Warehouses Company Limited (新宇國際(鎮江)倉儲有限公司) ("Zhenjiang Warehouses Company") to an independent third party as referred to in notes 10 and 11.

2. BASIC OF PREPARATION

These financial statements of the Group have been prepared in accordance with applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

The financial statements have been prepared on the historical cost basis as modified by the revaluation of financial assets and financial liabilities.

Assets of disposal group held for sale are stated at the lower of carrying amount and fair value less costs to sell.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted the following new and revised HKFRSs issued by HKICPA which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible hedged items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁵
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners ³
HK(IFRIC)-Int 18	Transfers of Assets from Customers ⁶

¹ Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods beginning on or after 1 July 2008

⁵ Effective for annual periods beginning on or after 1 October 2008

⁶ Effective for transfers on or after 1 July 2009

The adoption of HKAS 1 (Revised) may result in a change in presentation of the primary statements of the financial statements. The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. SEGMENT REPORTING

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business that offers products and services that are subject to risks and returns which are different from those of the other business segments.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

During the current and prior years, there were no intersegment transactions.

(a) Business segments

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

Continuing operations

- (i) the environmental services segment engages in the environmental collection and disposal of hazardous medical and industrial wastes,
- (ii) the mold products segment engages in the manufacture and sale of high precision molds,
- (iii) the plastic products segment engages in the manufacture and sale of plastic products, and
- (iv) strategic investments in plastics dyeing businesses.

Discontinued operation

The docks development.

Particulars in respect of discontinued operation relating to the Zhenjiang Docks Project are set out in notes 10 and 11.

Information on the revenue and profit/(loss) for the Group's business segments is presented as follows.

Group

	Continuing operations										Discontinued operation		Consolidated			
	Environmental services		Mold products		Plastic products		Dyeing investments		Corporate		Subtotal		Docks development		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:																
Sales to external customers	38,184	5,980	27,670	31,056	9,340	14,992	-	-	-	-	75,194	52,028	-	-	75,194	52,028
Other income	445	20	1,700	2,244	168	145	2,024	-	161	835	4,498	3,244	751	865	5,249	4,109
Total	38,629	6,000	29,370	33,300	9,508	15,137	2,024	-	161	835	79,692	55,272	751	865	80,443	56,137
Segment results	11,524	1,679	(92)	(2,585)	(943)	(2,143)	2,024	-	161	835	12,674	(2,214)	679	536	13,353	(1,678)
Excess of fair value of net assets over the cost of acquisition of associates	4,298	-	-	-	-	-	-	-	-	-	4,298	-	-	-	4,298	-
Excess of fair value of net assets over the cost of acquisition of subsidiaries	-	6,057	-	-	-	-	-	-	-	-	-	6,057	-	-	-	6,057
Gain on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	4,042	-	4,042	-	-	-	4,042
Impairment of available-for-sale equity investments	-	-	-	-	-	-	(4,012)	-	-	-	(4,012)	-	-	-	(4,012)	-
Finance costs	(861)	-	(837)	(588)	-	-	-	-	(2)	(197)	(1,700)	(785)	-	-	(1,700)	(785)
Unallocated expenses	-	-	-	-	-	-	-	-	(2,411)	(5,538)	(2,411)	(5,538)	-	-	(2,411)	(5,538)
Share of profit/(loss) of associates, net	(153)	-	-	-	-	-	1,075	90	-	-	922	90	-	-	922	90
Profit before income tax	14,808	7,736	(929)	(3,173)	(943)	(2,143)	(913)	90	(2,252)	(858)	9,771	1,652	679	536	10,450	2,188
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	14,808	7,736	(929)	(3,173)	(943)	(2,143)	(913)	90	(2,252)	(858)	9,771	1,652	679	536	10,450	2,188

Information on certain assets, liabilities and expenditure information for the Group's business segments is set out as follows.

Group

	Continuing operations										Discontinued operation		Consolidated			
	Environmental services		Mold products		Plastic products		Dyeing investments		Corporate		Subtotal		Docks development		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
Segment assets	111,230	92,233	36,501	37,346	17,989	14,020	-	-	-	-	165,720	143,599	-	-	165,720	143,599
Interest in associates	31,244	-	-	-	-	-	5,718	4,778	-	-	36,962	4,778	-	-	36,962	4,778
Available-for-sale equity investments	-	-	-	-	-	-	48,900	57,022	-	-	48,900	57,022	-	-	48,900	57,022
Assets of disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-	90,103	80,816	90,103	80,816
Unallocated assets	-	-	-	-	-	-	-	-	4,448	13,681	4,448	13,681	-	-	4,448	13,681
Consolidated total assets	142,474	92,233	36,501	37,346	17,989	14,020	54,618	61,800	4,448	13,681	256,030	219,080	90,103	80,816	346,133	299,896
Segment liabilities	35,466	11,884	21,587	22,398	1,126	1,241	-	-	-	-	58,179	35,523	-	-	58,179	35,523
Liabilities directly associated with assets of disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-	1	2	1	2
Unallocated liabilities	-	-	-	-	-	-	-	-	4,274	3,284	4,274	3,284	-	-	4,274	3,284
Consolidated total liabilities	35,466	11,884	21,587	22,398	1,126	1,241	-	-	4,274	3,284	62,453	38,807	1	2	62,454	38,809
Other segment information:																
Capital expenditure	10,458	963	270	2,443	1,814	4,052	-	-	-	-	12,542	7,458	1,118	31,118	13,660	38,576
Loan to an associate	2,149	-	-	-	-	-	-	-	-	-	2,149	-	-	-	2,149	-
Depreciation and amortization	3,140	674	2,507	4,355	884	1,833	-	-	-	-	6,531	6,862	-	-	6,531	6,862
Write-down on inventory	-	-	-	-	1,130	766	-	-	-	-	1,130	766	-	-	1,130	766
Provision for impairment loss of trade receivables/ (written back)	-	-	-	86	(10)	(53)	-	-	-	-	(10)	33	-	-	(10)	33

(b) **Geographical segments**

Information on revenue and certain assets and expenditure information for the Group's geographical segments is set out as follows:

Group

	Mainland China [#]		Hong Kong		North America [*]		Europe		Others		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:												
Sales to external customers	55,531	24,597	-	3,987	1,480	3,981	18,183	18,942	-	521	75,194	52,028
Other income	1,460	2,632	3,789	1,477	-	-	-	-	-	-	5,249	4,109
	<u>56,991</u>	<u>27,229</u>	<u>3,789</u>	<u>5,464</u>	<u>1,480</u>	<u>3,981</u>	<u>18,183</u>	<u>18,942</u>	<u>-</u>	<u>521</u>	<u>80,443</u>	<u>56,137</u>

Mainland China [#]		Hong Kong		Others		Consolidated	
2008	2007	2008	2007	2008	2007	2008	2007
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

Other segment information:

Segment assets	221,822	189,113	124,311	110,783	-	-	346,133	299,896
Capital expenditure	12,445	7,406	97	52	-	-	12,542	7,458

For the sole purpose of this announcement, the People's Republic of China ("China", "PRC" or "Mainland China") shall exclude the Hong Kong and Macau Special Administrative Regions and Taiwan.

* North America principally relates to the United States and Canada.

5. TURNOVER, OTHER REVENUE AND INCOME

Turnover represents the net invoiced value of goods sold and services rendered to customers, less sales returns and discounts. An analysis of turnover, other revenue and income is as follows:

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	75,194	52,028	–	–	75,194	52,028
Other revenue and income						
Interest income on bank deposits	150	687	751	865	901	1,552
Dividends from available-for-sale equity investments	2,024	–	–	–	2,024	–
Reversal of impairment loss of trade receivables	10	–	–	–	10	–
Net gain on disposal of property, plant and equipment	1	148	–	–	1	148
Scrap sales and others	2,313	2,409	–	–	2,313	2,409
	4,498	3,244	751	865	5,249	4,109
Total	79,692	55,272	751	865	80,443	56,137

6. FINANCE COSTS

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest expense on:						
Bank loans wholly repayable within five years	837	588	–	–	837	588
Bank import loans wholly repayable within five years	–	185	–	–	–	185
Finance leases	2	12	–	–	2	12
Imputed interest expense on non-current promissory notes	861	–	–	–	861	–
Total	1,700	785	–	–	1,700	785

7. INCOME TAX

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:						
Hong Kong	-	-	-	-	-	-
PRC Enterprise Income Tax	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profits tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/2009. Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year. No provision for Hong Kong profits tax has been made as the Group had no assessable profits subject to Hong Kong profits tax during the year ended 31 December 2008 (2007: Nil).

The PRC subsidiaries of the Group are subject to PRC Enterprise Income Tax at 25% (2007: 30%).

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Tax Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council issued Implementation Regulation of the New Tax Law. The New Tax Law and Implementation Regulation changed the tax rate of the PRC subsidiaries to 25% from 1 January 2008 onwards.

The PRC subsidiaries of the Group, Zhenjiang New Universe Solid Waste Disposal Company Limited ("Zhenjiang New Universe"), Taizhou New Universe Solid Waste Disposal Company Limited ("Taizhou New Universe"), Yancheng New Universe Solid Waste Disposal Company Limited ("Yancheng New Universe"), are entitled to the exemptions from PRC Enterprise Income Tax for two years starting from their first profit-making, followed by a 50% tax relief for the next three years. The first profit making year of Yancheng New Universe and Taizhou New Universe was 2007 and accordingly, they are not subject to PRC Enterprise Income Tax in 2007 and 2008. The first profit making year of Zhenjiang New Universe was 2008 and accordingly, they are not subject to PRC Enterprise Income Tax in 2008.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax for the year can be reconciled to the profit per consolidated income statement as follows:

	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before income tax	10,450	2,188
Tax at the statutory/applicable tax rates	2,282	616
Tax effect of income not subject to tax	(2,213)	(1,207)
Tax effect of expenses not deductible for tax purpose	1,621	645
Tax effect of tax losses not recognized as deferred assets	683	968
Utilization of tax losses previously not recognized	(262)	(595)
Effect of tax exemptions granted to PRC subsidiaries	(2,111)	(427)
Tax charge for the year	—	—

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation						
– Owned assets	6,016	6,694	–	–	6,016	6,694
– Assets held under finance leases	7	7	–	–	7	7
Amortization of land lease prepayments	508	161	–	–	508	161
Total depreciation and amortization	6,531	6,862	–	–	6,531	6,862
Auditor's remuneration						
– Audit services	550	550	–	–	550	550
– Non-audit services	100	800	–	–	100	800
	650	1,350	–	–	650	1,350
Employee benefits expenses (exclusive of directors' emoluments):						
– Post employment benefits Contributions to retirement benefits schemes	1,385	56	–	–	1,385	56
Less: Forfeited contributions	–	–	–	–	–	–
– Share-based payments	–	–	–	–	–	–
– Termination benefits	–	–	–	–	–	–
– Other employee benefits	14,977	14,018	–	–	14,977	14,018
	16,362	14,074	–	–	16,362	14,074
Directors' emoluments:						
– Fee	360	360	–	–	360	360
– Salaries and allowances	638	616	–	–	638	616
– Retirement scheme contributions	12	12	–	–	12	12
	1,010	988	–	–	1,010	988

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost of inventories recognized as an expense	30,444	40,669	–	–	30,444	40,669
Other direct costs	16,150	2,179	–	–	16,150	2,179
Cost of sales	<u>46,594</u>	<u>42,848</u>	<u>–</u>	<u>–</u>	<u>46,594</u>	<u>42,848</u>
Net foreign exchange loss	349	1,018	–	184	349	1,202
Operating lease charges:						
minimum lease payments						
– Hire of properties	168	237	–	–	168	237
– Hire of an industrial plant	–	2,663	–	–	–	2,663
Write-down on inventory	1,130	766	–	–	1,130	766
Impairment loss of trade receivables	–	33	–	–	–	33
Loss on fair value of shareholder's loans	–	846	–	–	–	846

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company for the years ended 31 December 2008 and 2007 and the weighted average number of ordinary shares in issue during these years.

There was no diluting event for the two years ended 31 December 2008 and 2007. The diluted earnings per share is same as the basic earnings per share for both years.

The calculation of basic earnings per share is based on the following data:

	2008	2007
	HK\$'000	HK\$'000
For continuing and discontinued operations		
Profit for the year attributable to equity holders of the Company	<u>8,381</u>	<u>1,873</u>
	2008	2007
	HK\$'000	HK\$'000
For continuing operations		
Profit for the year attributable to equity holders of the Company	<u>7,702</u>	<u>1,337</u>

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
For discontinued operation		
Profit for the year attributable to equity holders of the Company	<u>679</u>	<u>536</u>
	2008	2007
Number of shares		
Weighted average number of ordinary shares in issue during the year	<u>1,825,891,681</u>	<u>1,285,329,000</u>

10. DISCONTINUED OPERATION

On 3 November 2008, the Company entered into two agreements (“Dock Disposal Agreements”) to dispose of the entire equity interests in Zhenjiang Port Company and Zhenjiang Warehouses Company to an independent third party, at an aggregate consideration of RMB84,951,300 (approximately HK\$95,995,000) (referred herein as the Disposal of Zhenjiang Docks Project). The Disposal of Zhenjiang Docks Project constituted a major transaction of the Company and to which the controlling shareholder of the Company, New Universe Enterprises Limited (“NUEL”) has issued a written approval of the transaction as contemplated. Further details in relation to the above transaction are set out in the Company’s announcement and circular dated 5 November 2008 and 18 November 2008 respectively.

The results and cash flows of the discontinued operation of disposal group included in the consolidated income statement and the consolidated cash flow statement are set out below:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Profit for the year from discontinued operation		
Interest income	751	865
Expenses	<u>(72)</u>	<u>(329)</u>
Profit before income tax	679	536
Income tax	<u>–</u>	<u>–</u>
Profit for the year from discontinued operation	<u>679</u>	<u>536</u>
Analysis of cash flows from discontinued operation		
Net cash flows from operating activities	677	(3,658)
Net cash flows from investing activities	<u>(1,118)</u>	<u>(31,117)</u>
Net cash flows	<u>(441)</u>	<u>(34,775)</u>

The assets and liabilities attributable to the docks project has been classified and accounted for at 31 December 2008 as assets and liabilities of disposal group held for sale (note 11).

11. ASSETS AND LIABILITIES OF DISPOSAL GROUP HELD FOR SALE

	<i>Notes</i>	2008 HK\$'000	2007 <i>HK\$'000</i>
Deposits paid for docks development	12(b)	55,144	–
Docks development costs	12(a)	7,159	–
Prepayments, deposits and other receivables	14(b)	4,542	–
Cash and bank balances		23,258	–
		<hr/>	<hr/>
Assets of disposal group classified as held for sale		90,103	–
		<hr/> <hr/>	<hr/> <hr/>
Accrued liabilities and other payables		1	–
		<hr/>	<hr/>
Liabilities directly associated with assets of disposal group classified as held for sale		1	–
		<hr/> <hr/>	<hr/> <hr/>

As described in note 10, the Group entered into two Dock Disposal Agreements dated 3 November 2008 with an independent third party for the disposal of the docks project which is held through the Group's 100% interests in Zhenjiang Port Company and Zhenjiang Warehouses Company.

In the opinion of the directors, the Dock Disposal Agreements is expected to be completed in the next 12 months.

As the expected disposal proceeds are to exceed their carrying amounts, no impairment loss has been recognized immediately before the classification of the assets of disposal group held for sale as at 31 December 2008.

12. DOCKS UNDER DEVELOPMENT/DEPOSITS PAID FOR DOCKS DEVELOPMENT

Docks development costs and deposits paid for docks development are major outgoings relating to the development of the Zhenjiang Docks Project in Zhenjiang Xinminzhou, Jiangsu, China.

(a) Docks under development

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Opening carrying amount	5,550	3,617
Exchange adjustments	491	203
Project professional cost capitalized	68	977
Development costs capitalized	1,050	753
Assets of disposal group classified as held for sale (<i>note 11</i>)	(7,159)	–
	<hr/>	<hr/>
Closing carrying amount	–	5,550
	<hr/> <hr/>	<hr/> <hr/>

Docks development costs capitalized represent direct expenses, professional and consultancy costs incurred relating to the development of the Zhenjiang Docks Project in Zhenjiang Xinminzhou, China.

- (b) The deposits paid for docks development of HK\$55,144,000 (equivalent to RMB48,800,000) (2007: HK\$49,796,000) were made to the Zhenjiang local government in relation to land use rights to be granted for the docks and logistics development projects.
- (c) A PRC bank has provided a letter of intent under which this PRC bank has agreed in principle to provide necessary financing for the docks project upon all the necessary approvals to be obtained from the PRC authorities.
- (d) China (HK) Chemical & Plastics Co. Limited (“China (HK) Chemical”), a related company in which Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. SUEN Ki are the common directors, has agreed to provide financial support for the docks project.
- (e) Details of the capital commitments on the Zhenjiang Docks Project are set out in note 17.

13. TRADE AND BILLS RECEIVABLES

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	14,788	10,155
Less: allowance for doubtful debts	(977)	(987)
	<hr/>	<hr/>
	13,811	9,168
	<hr/> <hr/>	<hr/> <hr/>

All of the trade receivables are expected to be recovered or recognized as expense within one year.

Impairment losses of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of amount is remote, in which case the impairment loss is written off against trade receivable.

The movement in the impairment on trade receivables during the year is as follows:

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January	987	954
Amounts recovered during the year	(10)	–
Impairment loss recognized	–	33
	<hr/>	<hr/>
31 December	977	987
	<hr/> <hr/>	<hr/> <hr/>

Trade receivables are collectively considered to be impaired in accordance with their ageing.

The Group's trading terms with its customers are mainly on credit. For the mold products segment, the credit period is generally granted to customers for a period of one month extending up to three months for major customers. For the plastic products segment and environmental services segment, the credit period is generally for a period of one month extending up to two months for major customers.

An ageing analysis of the trade receivables as at the balance sheet date, based on invoice date and net of provisions, is as follows:

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	7,654	2,860
1 to 2 months	2,045	1,503
2 to 3 months	1,477	2,451
Over 3 months	2,635	2,354
	<u>13,811</u>	<u>9,168</u>

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

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Neither past due nor impaired	11,176	6,814
Less than 3 months past due	1,774	1,257
More than 3 months past due	861	1,097
	<u>2,635</u>	<u>2,354</u>
	<u>13,811</u>	<u>9,168</u>

Receivables that were neither past due nor impaired relate to a wide range of 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.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

- (a) As at 31 December 2007, included in prepayments, deposits and other receivables was a refundable deposit of HK\$5,000,000 paid for the proposed acquisition of interest in an environmental electroplating recycling project under a non-binding letter of intent dated 15 October 2007 made with a third party (with details set out in the Company's announcement dated 15 October 2007). The deposit of HK\$5,000,000 was used to offset against part of the consideration payable for the acquisition of an 38% equity interests in New Sinotech Investments Limited ("New Sinotech") upon the completion on 8 August 2008.
- (b) Included in prepayments, deposits and other receivables are the two loans of HK\$1,130,000 (2007: HK\$1,020,000) and HK\$3,390,000 (2007: HK\$3,061,000) to State-owned Gongqingtuan Farm of Jiangsu Province and the Zhenjiang local government, respectively, which are interest-free, unsecured and repayable within next 12 months from the balance sheet date, which have been classified as assets of disposal group held for sale as referred to note 11.

In the opinion of the directors, the carrying values of the prepayments, deposits and other receivables approximate their fair values at the balance sheet date.

15. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the balance sheet date, based on invoice date, is as follows:

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	1,573	1,544
1 to 2 months	846	1,184
2 to 3 months	626	673
Over 3 months	1,392	1,265
	<hr/>	<hr/>
	4,437	4,666
	<hr/> <hr/>	<hr/> <hr/>

16. RESERVES

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

17. COMMITMENTS

At the balance sheet date, the Group had the following commitments:

(a) Capital commitments

At 31 December 2008, the Group had capital commitments not provided for in the financial statements as follows:

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Contracted for		
– Plant and machinery	46	242
– Construction in progress	2,033	–
Discontinued operation		
Contracted for		
– Zhenjiang Docks Project	153,783	153,783
Authorized but not contracted for		
– Zhenjiang Docks Project	63,761	63,761
	219,623	217,786

The total authorized cost of investment in associates, the New Sinotech Group (which comprises New Sinotech, and its directly wholly-owned subsidiary, Fair Time International Limited (“Fair Time”) and its indirectly wholly-owned subsidiary, Zhenjiang Sinotech Eco-electroplating Development Limited “Zhenjiang Sinotech”), is estimated to be US\$31 million of which US\$5 million was paid up as capital by the original shareholder upon the establishment of Zhenjiang Sinotech. The banks agreed to provide syndicated banking facilities to the New Sinotech Group in the amount of US\$14 million guaranteed by Mr. XI Yu, a common director of the Company and his associate. The balance of US\$12 million shall be funded by the shareholders of New Sinotech in proportion to their respective shareholdings in it and, therefore, the Group’s financial commitments to the New Sinotech Group is approximately US\$4.56 million or HK\$35,568,000 as at 31 December 2008 (2007: Nil). Regarding the further contribution to the unpaid registered capital of Zhenjiang Sinotech by the Group, NUEL has undertaken to the Company on 8 August 2008 that NUEL will grant shareholder’s loan(s), which will be unsecured on normal commercial terms, to the Company to enable it to fulfil its obligation to make payment of the unpaid registered capital of Zhenjiang Sinotech proportional to the Group’s shareholding in New Sinotech Group, if necessary.

(b) **Operating leases commitments**

At 31 December 2008, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	197	121
In the second to fifth year inclusive	365	204
After five years	158	153
	<hr/>	<hr/>
	720	478
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2008, the Group leases its office premises in Hong Kong and a landfill for waste disposal in PRC under operating lease arrangements. Leases for the office premises and the landfill are negotiated for terms ranging from one to ten years.

18. ACQUISITION OF 38% EQUITY INTEREST IN NEW SINOTECH

On 8 August 2008, the Company as purchaser and an independent third party as vendor entered into a sales and purchase agreement which was completed on the same date for the acquisition of 38% equity interests in New Sinotech, pursuant to which the Company acquired from the vendor 1,900,000 issued shares of US\$1 each (representing 38%) of the issued share capital of New Sinotech, and the beneficial interest in a loan amounting to HK\$133,223.44 (representing 38%) of the shareholder's loans of New Sinotech for an aggregate consideration of HK\$24,095,000, of which HK\$5,000,000 was set off against the earnest money paid upon signing of the initial letter of intent and the balance consideration of HK\$19,095,000 was settled by the issue four promissory notes of HK\$6,730,000 each with an aggregate nominal value of HK\$26,920,000, at zero coupon rate, repayable by four equal installments of HK\$6,730,000 each on 9 February 2011, 8 August 2011, 9 February 2012 and 8 August 2012, respectively. The fair value of the promissory notes was determined at HK\$19,095,000 at the date of issue by an independent professional valuer, BMI Appraisal Limited, using discount rates ranging from 10.361% to 10.881% (based on the Exchange Fund rates ranging from 2.361% to 2.881% with same maturities of the individual promissory notes, plus a credit spread of 8%). The difference of HK\$7,825,000 between the fair value of HK\$19,095,000 and the nominal value of HK\$26,920,000 is treated as interest expenses of the Group to be amortized over the terms of the promissory notes, using the effective interest rate method. The amortized and imputed effective interest expenses of the promissory notes amounting to HK\$861,000 was charged to the income statement for the year ended 31 December 2008 based on the applicable aggregate principal amount of HK\$19,095,000 and discount rates of 10.361% per annum to 10.881% for the 4 promissory notes according to their respective maturities. After the completion on 8 August 2008, the Company has 38% equity interest in New Sinotech which has two wholly-owned subsidiaries, namely Fair Time and Zhenjiang Sinotech (collectively referred to as the "New Sinotech Group").

The acquisition of the interests in New Sinotech Group contributed a net loss of HK\$153,000 to the Group for the period from the date of completion on 8 August 2008 to 31 December 2008.

Details of the fair value of the net assets acquired at the date of completion on 8 August 2008 and the excess of fair value of net assets acquired over the cost of acquisition of the interests in New Sinotech Group are as follows:

	2008 HK\$'000
Fair value of net assets of the New Sinotech Group	
Property, plant and equipment	467
Land lease prepayments	70,589
Construction in progress	8,908
Prepayments, deposits and other receivables	1,033
Cash and bank balances	11,022
Accruals and other payables	(1,575)
Deferred tax liabilities	(14,128)
Due to a shareholder	(351)
	<hr/>
100% of the fair value of net assets	75,965
	<hr/>
38% of net fair value of assets acquired	28,867
38% of the amount due to shareholder assigned	133
Legal and professional fees directly incurred on acquisition	(607)
Excess of net fair value of net assets over the cost of acquisition of interests in associates	(4,298)
	<hr/>
Consideration	24,095
	<hr/> <hr/>
	2008 HK\$'000
Satisfied by:	
Offset against earnest money paid	5,000
Issue of promissory notes	19,095
	<hr/> <hr/>

19. POST BALANCE SHEET EVENT

On 26 February 2009, a framework supply agreement (“Supply Contract”) was entered into between Suzhou New Universe Smartech Tooling and Plastics Limited (“Suzhou New Universe”) and China (HK) Chemical, a related company of which Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. SUEN Ki are the common directors, in relation to the supply of plastic materials to Suzhou New Universe by China (HK) Chemical. The term of the Supply Contract shall commence from the date of the Supply Contract and up to 31 December 2011 which term may be renewed for three years by agreement of the parties to the Supply Contract. China (HK) Chemical will offer Suzhou New Universe payment term with credit period of 90 days from the shipment date of the plastic materials purchased without provision of securities. It is expected that Suzhou New Universe will purchase and China (HK) Chemical will supply plastic materials with an estimated annual cap amount of US\$1,280,000 (approximately HK\$9,984,000) for each of the three financial years ending 31 December 2011. Such estimate is determined with reference to the existing average unit price range of US\$1,100 per metric ton to US\$2,500 per metric ton for different grades and different types of plastic materials offered to the Group by independent suppliers and the estimated annual consumption of plastic materials of approximately 1,000 metric tonnes to be supplied under the Supply Contract for the purposes of production of Suzhou New Universe.

20. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified as a result of the adoption of HKFRS 5 to account for the disposal of Zhenjiang Docks Project as referred in notes 10 and 11.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

During the year under review, downturn of the global economy, volatility of materials costs and increasing labour costs in the China were key factors affecting manufacturing operations of the Group, and also affecting environmental operations that servicing the chemical and manufacturing industries.

Notwithstanding a long-term potential might have subsisted in the Zhenjiang Docks Project, the Group has to accept that the original plan would need to be significantly revised as the counter parties to the co-operation agreement could not guarantee the original basis of co-operation would be materialized owing to changes of governmental rules and policies since the inception of the Zhenjiang Docks Project to now.

The environmental operations

Since the acquisition of 100% equity interest in New Universe Environmental Protection Investment Limited was completed on 12 October 2007, the Group indirectly owns 82% equity interest in New Universe Environmental Technologies (Jiang Su) Limited (“NUET(JS)”). NUET(JS) in turn directly owns 100% equity interests in three environmental subsidiaries, namely, Zhenjiang New Universe, Yancheng New Universe and Taizhou New Universe. Zhenjiang New Universe, Yancheng New Universe and Taizhou New Universe are principally engaged in environmental treatment and disposal of regulated industrial and medical hazardous waste in the Jiangsu Province, China. The three subsidiaries own their pyrolyzing incinerators each with an annual incineration capacity of over 3,000 tons hazardous waste collected, and Zhenjiang New Universe also operates a landfill with a capacity of 750,000 cubic metres to handle over 30,000 tons of general industrial waste per annum. The three subsidiaries service over 95% of the major hospitals and clinics for disposal of hazardous medical waste in their cities.

In 2008, Zhenjiang New Universe managed and disposed of over 6,700 tons general industrial waste, over 8,300 tons hazardous industrial wastes, and over 500 tons regulated medical solid waste collected. Besides servicing various major industrial organizations, Zhenjiang New Universe services over 150 medical organizations and few clinics in Zhenjiang city. During the year, Zhenjiang New Universe also serviced over 1,600 trucks for dangerous chemical tank truck cleansing.

In 2008, Yancheng New Universe managed and disposed of over 3,800 tons general and hazardous industrial waste and over 530 tons regulated medical solid waste collected. Yancheng New Universe services over 380 medical organizations and 120 clinics in Yancheng city.

In 2008, Taizhou New Universe managed and disposed of over 2,300 tons general and hazardous industrial waste and over 550 tons regulated medical solid waste collected. Taizhou New Universe services over 170 medical organizations and few clinics that covering 96% of the first grade hospitals in Taizhou city.

For the year ended 31 December 2008, the Group's total revenue from environmental operations increased by 538.5% to HK\$38,184,000 from the post-acquisition revenue of HK\$5,980,000 recorded in last year.

The manufacturing operations

Suzhou New Universe is a 97% owned manufacturer of the Group situated at Changjiang River Delta in China. Suzhou New Universe manufactures and sells injection molds and plastic injection products both locally in Mainland China and overseas. Total turnover of Suzhou New Universe in 2008 was HK\$37,010,000 representing an increase of 37.9% as compared to HK\$26,847,000 in 2007. Sales of molds and plastic products of Suzhou New Universe in 2008 increased by 36.9% and 40.7% to HK\$27,670,000 and HK\$9,340,000 as compared to last year of HK\$20,211,000 and HK\$6,636,000 respectively.

The plastics dyeing operations

Since the acquisition of 100% equity interest in New Universe (China) Investment Limited ("NUCIL") was completed on 12 October 2007, the Group indirectly owns 100% equity interest in New Universe (China) Limited ("NUCL"). NUCL in turn directly owns equity interests of 18.62%, 24.5% and 28.67% respectively in 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").

Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei are principally engaged in plastic materials dyeing in the Mainland China with sustainable growth in their business. The Group holds Qingdao Huamei as an interest in associate and holds both Suzhou New Huamei and Danyang New Huamei as available-for-sale equity investments.

In 2008, the Group shared net profit of Qingdao Huamei amounted to HK\$1,075,000 (2007: HK\$90,000). The net profit margins of Suzhou New Huamei and Danyang New Huamei were 3.2% and 7.8% in 2008 respectively (2007: 3.7% and 7.8% respectively). According to the valuation report dated 17 March 2009 issued by the independent professional valuer, BMI Appraisals Limited, the total market value of the available-for-sale equity investments was HK\$48,900,000 as at 31 December 2008 (31 December 2007: HK\$57,022,000).

The acquisition of 38% equity interest in New Sinotech

Further to the letter of intent dated 15 October 2007 and the supplemental letter of intent dated 15 April 2008 entered into by the Company in relation to, amongst the others, the proposed acquisition of equity interest in Zhenjiang Sinotech, the Company as purchaser and an independent third party as vendor entered into a sale and purchase agreement on 8 August 2008 and completed at the same date the acquisition of interests in Zhenjiang Sinotech, pursuant to which the Company acquired from the vendor 1,900,000 issued shares of US\$1 each (representing 38%) of the issued share capital of New Sinotech, and the beneficial interest in a loan amounted to HK\$133,223.44 (representing 38%) of the shareholder's loans of New Sinotech for an aggregate consideration of HK\$31,920,000, of which HK\$5,000,000 was set off against the earnest money paid upon signing of the letter of intent and the balance consideration of HK\$26,920,000 was settled by the Company's issue of promissory notes. After the completion on 8 August 2008, the Company interested in 38% equity interests in New Sinotech.

Zhenjiang Sinotech is a wholly foreign owned enterprise established in Zhenjiang, China to engage in the development and operation of the Eco-plating Specialized Zone Project. The Eco-plating Specialized Zone Project is engaged in the development and operation of a specialized zone for environmental electroplating recycling business, the environmental treatment of electroplating sewage and sludge, and the recycling of metallic substance and resources. The Group holds 38% equity interests in New Sinotech as an associate, and New Sinotech directly and indirectly holds 100% equity interests in Fair Time and Zhenjiang Sinotech, respectively. In 2008, the Group shared net loss of New Sinotech amounted to HK\$153,000 after the completion of the acquisition of interests in Zhenjiang Sinotech.

The Zhenjiang Docks Project

The co-operation between the Company and the China parties ("China Parties", comprising The District Government of Jingkou, Zhenjiang and State Owned Gongqingtuan Farm of Jiangsu Province) in relation to the investment in the construction of dock infrastructure and the development of warehouses and depot facilities in Xinminzhou, Jingkou District, Zhenjiang City, Jiangsu Province, China, namely herein the Zhenjiang Docks Project, has no significant progress in 2008.

Up to 31 December 2008, the two wholly foreign owned enterprises established for the purpose of carrying out the Zhenjiang Docks Project in Zhenjiang, China, namely herein, Zhenjiang Port Company and Zhenjiang Warehouses Company were injected with US\$8,500,000 (approximately HK\$66,300,000) and US\$1,500,000 (approximately HK\$11,700,000) respectively as their paid-up registered capital. The dock construction feasibility studies for the first phase of the Zhenjiang Docks Project has completed. The kick-off of the first phase dock construction of the Zhenjiang Docks Project is still awaiting the approvals of the operating rights for first phase waterfront line of the dock site by the PRC Transport Department. Up to 31 December 2008, land deposits amounted to RMB48,800,000 (or equivalent to approximately HK\$55,144,000) were paid by Zhenjiang Port Company to the local government to secure land use rights for the site area would be granted to commence construction and operations along the first phase waterfront line.

The management of Zhenjiang Port Company and Zhenjiang Warehouses Company has been in touch with the China Parties on the progress of Zhenjiang Docks Project, though the original plan of 2006 was unlikely to materialize owing to revision polices of the local government on the whole district area surrounding Xinminzhou.

The Board has closely monitored the progress of the Zhenjiang Docks Project and reviews the Group's investment in the project from time to time. On 3 November 2008, the Company entered into two Dock Disposal Agreements to dispose of the entire equity interests in Zhenjiang Port Company and Zhenjiang Warehouses Company to an independent third party, as witnessed by a representative of the China Parties, at an aggregate consideration of RMB84,951,300 (approximately HK\$95,995,000) (referred herein as the "Disposal of Zhenjiang Docks Project"). The Disposal of Zhenjiang Docks Project constituted a major transaction of the Company and to which the controlling shareholder of the Company, NUEL has issued a written approval of the transaction as contemplated. On 5 November 2008 and 18 November 2008, the Company made an announcement and despatched a circular respectively on the details of the Disposal of Zhenjiang Docks Project.

However, up to now the Disposal of Zhenjiang Docks Project has not yet been completed, and the Group has been seeking and pending legal advices on actions to be taken on the Dock Disposal Agreements.

FINANCIAL REVIEW

Turnover

The Group's turnover was HK\$75,194,000 for the year ended 31 December 2008 representing an increase of 44.5% from HK\$52,028,000 in 2007. The manufacturing operations contributed for 49.2% of the Group's turnover in 2008 as compared to 88.5% in 2007. The environmental operations contributed for 50.8% of the Group's turnover in 2008 as compared to 11.5% in 2007.

Gross profit margin

Gross profit of the Group for the year ended 31 December 2008 increased by 211.5% to HK\$28,600,000 as compared to HK\$9,180,000 in 2007. The overall gross profit margin of the Group was 38.0% in 2008 (2007: 17.6%). The average gross profit margin of the Group's manufacturing operations was 17.7% in 2008 (2007: 11.7%). The average gross profit margin of the Group's environmental operations was 57.7% in 2008 (2007: 63.6%).

Profit attributable to equity holders of the Company

The Group made a profit attributable to equity holders of the Company of HK\$8,381,000 in 2008 as compared to HK\$1,873,000 in 2007.

Earnings per share attributable to the continuing operations and discontinued operation were Hong Kong cents 0.42 and Hong Kong cents 0.04 respectively for the year 2008 as compared to earnings per share attributable to the continuing operations and discontinued operation of Hong Kong cents 0.10 and Hong Kong cents 0.05 respectively for last year 2007.

Other revenue and income

The Group's other revenue and income from continuing operations increased to HK\$4,498,000 for the year ended 31 December 2008 as compared to HK\$3,244,000 for the year 2007. The Group's other revenue and income in 2008 was mainly attributable to the dividends received from the available-for-sale equity investments, and the total dividend income from available-for-sale equity investments was HK\$2,024,000 in 2008 (2007: Nil). Other revenue and income also included income from scrap sales amounted to HK\$2,013,000 in 2008 (2007: HK\$2,134,000). Other revenue and income from discontinued operation mainly attributable to bank interest income amounted to HK\$751,000 in 2008 (2007: HK\$865,000).

Selling and distribution costs

Selling and distribution costs of the Group for continuing operations increased by 61.6% to HK\$5,737,000 in current year, representing 7.6% to the Group's turnover in 2008 (2007: HK\$3,551,000 representing 6.8% to 2007 Group's turnover). The current increase in selling and distribution costs was mainly attributable to increase in incentive payments to marketing agencies for both environmental and manufacturing operations in 2008. There were no selling and distribution costs incurred for discontinued operation in 2007 and 2008.

Administrative expenses

Administrative expenses of the Group for continuing operations increased by 0.3% to HK\$11,872,000 in current year, representing 15.8% to the Group's turnover in 2008 (2007: HK\$11,832,000 representing 22.7% to 2007 Group's turnover). The current slight increase in administrative expenses was mainly attributable to moderate increase in staff costs in 2008. There were no administrative expenses incurred for discontinued operation in 2008 (2007: HK\$145,000).

Other operating expenses

Other operating expenses of the Group for continuing operations increased by 9.0% to HK\$5,226,000 in current year, representing 7.0% to the Group's turnover in 2008 (2007: HK\$4,793,000 representing 9.2% to 2007 Group's turnover). The current increase in other operating expenses was mainly attributable to increase in impairments on inventories for the Group's manufacturing operations and increase in amortization of land lease prepayments in 2008. There were no other operating expenses incurred for discontinued operation in 2008 (2007: HK\$184,000).

Finance costs

Finance costs of the Group for continuing operations increased by 116.6% to HK\$1,700,000 in 2008 as compared to HK\$785,000 in 2007. The increase was mainly attributable to the interest imputed on the promissory notes payable for the Acquisition of Interests in Zhenjiang Sinotech that amounted to HK\$861,000 in 2008. There were no finance costs incurred for discontinued operation in 2007 and 2008.

Liquidity and financial resources

The Group operates with conservative treasury policies to avoid risky investments and to minimize interest-bearing borrowings. In current year, the Group financed its operation activities with internally generated cash flows, banking facilities, and loans from NUEL.

As at 31 December 2008, the Group had total cash and bank balances of HK\$23,128,000 (31 December 2007: HK\$44,421,000) and had cash and bank balances of the disposal group held for sale amounted to HK\$23,258,000.

As at 31 December 2008, the Group had available unused general banking facilities amounted to HK\$10,000,000 (31 December 2007: HK\$14,082,000).

As at 31 December 2008, the Group had total outstanding interest bearing borrowings of approximately HK\$10,174,000 (31 December 2007: HK\$9,193,000) as follows:

- (i) secured interest bearing bank borrowings of approximately HK\$10,170,000 (31 December 2007: HK\$9,184,000); and
- (ii) finance lease payables of approximately HK\$4,000 (31 December 2007: HK\$9,000).

As at 31 December 2008, the Group had promissory notes payable of fair value approximately HK\$19,956,000 (par value before imputed interests: HK\$26,920,000) (31 December 2007: Nil).

As at 31 December 2008, there were outstanding non-interest bearing amounts due to the Group's related companies of approximately HK\$2,435,000 (31 December 2007: HK\$2,835,000) as follows:

- (i) unsecured non-interest bearing borrowings from the Company's controlling shareholder, NUEL, with a fair value of approximately HK\$2,416,000 (31 December 2007: HK\$2,416,000); and
- (ii) due to Beijing New Universe Mirai Environmental Engineering Company Limited of approximately HK\$19,000 (31 December 2007: HK\$419,000).

Out of the above mentioned borrowings of HK\$32,565,000 comprises outstanding interest bearing borrowings, promissory notes and amounts due to related companies as at 31 December 2008, approximately HK\$10,193,000 (31 December 2007: HK\$9,608,000) was repayable within one year.

Capital structure

There was no significant change to the capital structure of the Group during the year ended 31 December 2008.

Material acquisitions and disposals of subsidiaries and affiliated companies

On 8 August 2008, the Company completed the Acquisition of Interests in New Sinotech. Fair Time and Zhenjiang Sinotech are the direct and indirect wholly owned subsidiaries respectively of New Sinotech.

Save as disclosed therein, there were no other significant investments nor material acquisition and disposal of subsidiaries and affiliated companies of the Company for the year ended 31 December 2008.

Investments held and their performance

According to the valuation report dated 17 March 2009 issued by the independent professional valuer, BMI Appraisals Limited, the total market value of the available-for-sale equity investments attributable to the Group decreased to HK\$48,900,000 as at 31 December 2008 (31 December 2007: HK\$57,022,000). At 31 December 2008, the market value of available-for-sale equity investments for Suzhou New Huamei attributable to the Group was HK\$39,000,000 (31 December 2007: HK\$44,897,000) and for Danyang New Huamei attributable to the Group was HK\$9,900,000 (31 December 2007: HK\$12,125,000). In 2008, impairment losses of the available-for-sale equity investments totally amounted to HK\$4,012,000 was accounted for in the income statement of the Group. Dividend income from Suzhou New Huamei and Danyang New Huamei amounted to HK\$1,624,000 and HK\$400,000 in 2008 (2007 pre-acquisition: HK\$1,902,000 and HK\$1,021,000) respectively.

The Group holds 28.67% equity interest in Qingdao Huamei as an associate. For the year ended 31 December 2008, the Group shared net profit in respect of the interest in Qingdao Huamei amounted to HK\$1,075,000 (2007 post-acquisition: HK\$90,000). Dividend income from Qingdao Huamei amounted to HK\$648,000 in 2008 (2007 pre-acquisition: HK\$1,170,000).

In 2008, the Group has accounted for an amount of HK\$4,298,000 in respect of the excess of fair value of the net assets acquired over the cost of the acquisition of 38% equity interests in New Sinotech upon the completion took place on 8 August 2008. For the year ended 31 December 2008, the Group shared post-acquisition loss in respect of the interests in New Sinotech amounted to HK\$153,000.

Segment results

Details of segment results of the Group are set out in note 4.

Save as disclosed in this announcement, sales distribution by business and geographical area has changed slightly during the year under review after the acquisition of interests in environmental operations in 2007. The sales distribution by environmental services, tooling products, and plastic products was 50.8%, 36.8%, and 12.4% respectively. The sales distribution for Mainland China (excluding Hong Kong and Taiwan), European countries and North America was 73.8%, 24.2% and 2.0% respectively.

Employee information

As at 31 December 2008, the Group had 312 (31 December 2007: 332) full-time employees. Staff costs, excluding directors' remuneration but including amount capitalized as inventory was HK\$10,869,000 for the year ended 31 December 2008 (31 December 2007: HK\$14,018,000). Employees were paid in commensurate with the prevailing market standards, with other fringe benefits such as bonus, medical insurance, mandatory provident fund, share options and necessary training.

Charges on Group assets

As at 31 December 2008, the Group pledged the land use rights owned by Suzhou New Universe with a carrying value of HK\$2,373,000 (31 December 2007: HK\$2,192,000), together with its property, plant and equipment with carrying value of HK\$9,176,000 (31 December 2007: HK\$9,234,000) to a bank in China to secure bank loans of HK\$10,170,000 (equivalent to RMB9,000,000) (31 December 2007: HK\$9,184,000) granted to the Suzhou New Universe. As at 31 December 2008, the Group's property, plant and equipment with carrying value of HK\$6,000 (31 December 2007: HK\$13,000) were held under finance leases with payable amounted to HK\$4,000 (31 December 2007: HK\$9,000).

Capital expenditure

During the year ended 31 December 2008, the Group had capital expenditure to increase property, plant and equipment for its manufacturing operations amounted to HK\$2,084,000, and had capital expenditure to increase property, plant and equipment for its environmental operations amounted to HK\$10,458,000.

Commitments

As at 31 December 2008, the commitments of operating leases payable within 5 years for the Group's office premises in Hong Kong and the landfill for waste disposal totally amounted to HK\$562,000 (31 December 2007: HK\$325,000), and the commitments of operating lease payable after 5 years for the landfill was HK\$158,000 (31 December 2007: HK\$153,000).

As at 31 December 2008, there were also capital commitments of the Group authorized but not contracted for amounted to HK\$63,761,000 (31 December 2007: HK\$63,761,000) which were all related to the discontinued operation of docks development; and capital commitments contracted for but not provided for amounted to HK\$155,862,000 (31 December 2007: HK\$154,025,000) of which HK\$153,783,000 was related to the discontinued operation of docks development.

Gearing ratio

The gearing ratios as at 31 December 2008 and 2007 were as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current liabilities		
Interest-bearing bank borrowings	10,170	9,184
Trade and bills payables	4,437	4,666
Deposits received	8,177	8,959
Accrued liabilities and other payables	12,209	8,091
Obligations under finance leases	4	5
Amounts due to a related company	19	419
	<u>35,016</u>	<u>31,324</u>
Liabilities directly associated with assets of disposal group classified as held for sale	<u>1</u>	<u>–</u>
	<u>35,017</u>	<u>31,324</u>
Non-current liabilities		
Promissory notes	19,956	–
Obligations under finance leases	–	4
Shareholder's loans	2,416	2,416
Deferred tax liabilities	5,065	5,065
	<u>27,437</u>	<u>7,485</u>
Total borrowings	<u>62,454</u>	<u>38,809</u>
Total equity	<u>283,679</u>	<u>261,087</u>
Gearing ratio	<u>22.0%</u>	<u>14.9%</u>

Except for the commitments for the Zhenjiang Docks Project of HK\$153,783,000 (2007: HK\$153,783,000), neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

Exposure to exchange rate fluctuations

During the year ended 31 December 2008, the Group experienced exchange rates fluctuations. Though most of the Group's monetary assets and liabilities were denominated and most of the businesses were conducted in Hong Kong dollars, US dollars and Renminbi, the Group has no significant foreign exchange risk owing to limited amount of foreign currency translations. The effect of the fluctuations among Hong Kong dollars, US dollars and Renminbi is mostly of capital nature to the Group that did not have material effects to the Group's results in 2008. The Group considered that as the exchange rate risks of the Group is moderately low, and the Group did not employ any financial instruments for hedging purposes.

Contingent liabilities

There were no significant contingent liabilities of the Group as at 31 December 2008 (31 December 2007: Nil).

DIVIDEND

The Board of Directors of the Company does not recommended the payment of a dividend for the year ended 31 December 2008 (2007: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As at 31 December 2008, the interests and short positions of the directors and the chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors under the GEM Listing Rules, were as follows:

(1) Long positions in issued shares of the Company

Name of director	Number of ordinary shares of HK\$0.01 each			Total number of share held	% of total shares in issue
	Beneficial owner	Family interests	Interest of controlled corporation		
XI Yu*	-	-	1,349,649,115	1,349,649,115	73.91

Notes:

- * Mr. XI Yu is the shareholder of 16,732 shares of US\$1.00 each in NUEL, representing 83.66% of the issued share capital of NUEL, which in turn beneficially interests in 1,349,649,115 shares of the Company representing approximately 73.91% of the issued share capital of the Company.

(2) Long positions in issued shares of an associated company, NUEL

Name of director	Number of ordinary shares of US\$1.00 each			Total number of share held	% of total shares in issue
	Beneficial owner	Family interests	Interest of controlled corporation		
Mr. XI Yu	16,732	–	–	16,732	83.66
Ms. CHEUNG Siu Ling	1,214	1,214	–	2,428	12.14
Mr. SUEN Ki	840	–	–	840	4.20

Save as disclosed above, as at 31 December 2008, none of the directors and the chief executive of the Company nor their associates had any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to required standards of dealings by directors under the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed therein, at no time during the year 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2008, persons or corporations who have interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO that interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in issued shares of the Company

Substantial shareholder	Number of ordinary shares of HK\$0.01 each				Total number of share held	% of total shares in issue
	Personal interests	Family interests	Corporate interests			
NUEL	1,349,649,115	–	–	1,349,649,115	73.91	
Mr. XI Yu	–	–	1,349,649,115*	1,349,649,115	73.91	

Notes:

* The interest in 1,349,649,115 shares disclosed by Mr. XI Yu is the same as those disclosed as held by NUEL.

Save as disclosed above, as at 31 December 2008, the Directors were not aware of any other person who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO that interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE PRACTICES

The Company has applied all principles in the Code on Corporate Governance Practices (the “CG Code”) as set in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprises Market (the “GEM Listing Rules”). The Board of directors of the Company has continued to monitor and review the progress on corporate governance practices of the Group to ensure application of the principles, compliance with the code provisions and adoption of the recommended best practices in the CG Code in order to protect and enhance the benefits of the Company’s Shareholders.

Throughout the year ended 31 December 2008, the Company has complied with all code provisions of CG Code except for the following deviation:

Code Provision A.2.1 of the CG Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, and that the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The Company’s chairman, Mr. XI Yu up to the date of this report has to share the responsibilities of the vacant office of the Group’s chief executive officer since the resignation of the ex-managing director of the Group was effective on 1 February 2007. The Directors considered the deviation did not significantly affect the Group’s operation. Mr. XI Yu leads the Board to act in the best interests of the Company and make decision efficiently on business and strategic matters. Through the supervision of the full Board and the Board committees, balance of power and authority could be ensured.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the directors of the Company on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry of all directors, the directors of the Company have complied with its code of conduct regarding securities transactions by the directors and the required standard of dealings as set out in the GEM Listing Rules throughout the year ended 31 December 2008.

Though Rule 5.48 of the GEM Listing Rules states that the Stock Exchange regards it as desirable that directors of an issuer should hold securities in the issuer, the Company’s executive director, Mr. HON Wa Fai, and the Company’s independent non-executive directors, Mr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred do not have any interests in any securities of the Company.

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 latest practicable date prior to the issue of this announcement, the Company has maintained the prescribed minimum public float under the GEM Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company received from each of the independent non-executive directors an annual written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and considered all the independent non-executive directors are independent.

AUDIT COMMITTEE

In May 2000, the Company's audit committee had been established with written terms of reference in compliance with the GEM Listing Rules which comprises Mr. CHAN Yan Cheong (chairman of audit committee), Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred.

The consolidated financial statements of the Company and the Group for the year ended 31 December 2008 has been reviewed by the Company's audit committee.

INDEPENDENT REVIEW

This preliminary announcement of the Company's results for the year ended 31 December 2008 has been agreed with the Company's auditor, CCIF CPA Limited, as required by Rule 18.49 of the GEM Listing Rules.

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

Hong Kong, 18 March 2009

The Board as of the date of this announcement comprises of Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. HON Wa Fai as executive directors; Mr. SUEN Ki as non-executive director; Mr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred, as independent non-executive directors of the Company.

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