



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2009

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This announcement, for which the directors (the “Directors”) of NEW UNIVERSE INTERNATIONAL GROUP LIMITED, 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 NEW UNIVERSE INTERNATIONAL GROUP LIMITED. 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\$16,723,000 in 1Q 2009 (1Q 2008: HK\$14,164,000)
- Loss attributable to the equity holders of the Company was HK\$1,006,000 for 1Q 2009 (1Q 2008: profit of HK\$1,856,000)
- Loss per share from continuing and discontinued operations for 1Q 2009 was Hong Kong cents 0.06 (earnings per share for 1Q 2008: Hong Kong cents 0.10)
- Equity attributable to equity holders of the Company was HK\$274,350,000 as at 31 March 2009 (31 December 2008: HK\$275,433,000)

2009 FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of New Universe International Group Limited (the “Company”) is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 31 March 2009 (“1Q 2009”), together with the comparative unaudited figures for the corresponding period in 2008 (“1Q 2008”).

Consolidated income statement (unaudited)

		Three months ended	
		31 March	
	<i>Notes</i>	2009	2008
		HK\$'000	<i>HK\$'000</i>
			(restated)
Continuing operations			
Turnover	4	16,723	14,164
Cost of sales		(12,416)	(7,692)
		<hr/>	<hr/>
Gross profit		4,307	6,472
Other revenue and income	4	143	206
Selling and distribution costs		(1,020)	(1,362)
Administrative expenses		(3,180)	(2,740)
Other operating expenses		(676)	(304)
Share of profits of associates, net		204	216
Finance costs	5	(717)	(186)
		<hr/>	<hr/>
(Loss)/profit before income tax		(939)	2,302
Income tax	6	37	91
		<hr/>	<hr/>
(Loss)/profit for the period from continuing operations		(902)	2,393
Discontinued operation			
(Loss)/profit for the period from discontinued operation		(17)	126
		<hr/>	<hr/>
(Loss)/profit for the period		(919)	2,519
		<hr/> <hr/>	<hr/> <hr/>

		Three months ended	
		31 March	
	<i>Notes</i>	2009	2008
		<i>HK\$'000</i>	<i>HK\$'000</i>
			(restated)
(Loss)/profit attributable to:			
Equity holders of the Company			
Continuing operations		(989)	1,730
Discontinued operation		(17)	126
		<u>(1,006)</u>	<u>1,856</u>
Minority interests			
Continuing operations		87	663
Discontinued operation		–	–
		<u>87</u>	<u>663</u>
		<u>(919)</u>	<u>2,519</u>
(Loss)/earnings per share	7		
for (loss)/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>(0.06)</u>	<u>0.10</u>
From continuing operations			
Basic and diluted		<u>(0.05)</u>	<u>0.09</u>
From discontinued operation			
Basic and diluted		<u>(0.01)</u>	<u>0.01</u>

Consolidated statement of comprehensive income (unaudited)

	Three months ended	
	31 March	
<i>Notes</i>	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(restated)
(Loss)/profit for the period	<u>(919)</u>	<u>2,519</u>
Other comprehensive income:		
Exchange differences on translation of		
– financial statements of overseas subsidiaries	(1)	4,348
– financial statements of disposal group	–	5,445
Share of other comprehensive income of associates	<u>(76)</u>	<u>326</u>
Other comprehensive income for the period	<u>(77)</u>	<u>10,119</u>
Total comprehensive income for the period	<u>(996)</u>	<u>12,638</u>
Total comprehensive income attributable to:		
Equity holders of the Company		
Continuing operations	(1,066)	5,917
Discontinued operation	(17)	5,571
	<u>(1,083)</u>	<u>11,488</u>
Minority interests		
Continuing operations	87	1,150
Discontinued operation	–	–
	<u>87</u>	<u>1,150</u>
Total comprehensive income for the period	<u>(996)</u>	<u>12,638</u>

Consolidated statement of changes in equity (unaudited)

	Attributable to equity holders of the Company							Minority interests	Total
	Share capital	Share premium reserve	Exchange fluctuation reserve	Investments revaluation reserve	General reserve	Accumulated losses	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2008	18,259	206,488	3,600	4,110	31,929	(8,716)	255,670	5,417	261,087
Changes in equity for 3 months ended 31 March 2008:									
Total comprehensive income for the period	-	-	9,632	-	-	1,856	11,488	1,150	12,638
At 31 March 2008	<u>18,259</u>	<u>206,488</u>	<u>13,232</u>	<u>4,110</u>	<u>31,929</u>	<u>(6,860)</u>	<u>267,158</u>	<u>6,567</u>	<u>273,725</u>
Changes in equity for 9 months ended 31 December 2008:									
Total comprehensive income for the period	-	-	5,860	(4,110)	-	6,525	8,275	1,679	9,954
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>
At 1 January 2009	18,259	206,488	19,092	-	31,929	(335)	275,433	8,246	283,679
Changes in equity for 3 months ended 31 March 2009:									
Total comprehensive income for the period	-	-	(77)	-	-	(1,006)	(1,083)	87	(996)
At 31 March 2009	<u>18,259</u>	<u>206,488</u>	<u>19,015</u>	<u>-</u>	<u>31,929</u>	<u>(1,341)</u>	<u>274,350</u>	<u>8,333</u>	<u>282,683</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 Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (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 March 2009, 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 unaudited consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

For the sole purpose of these unaudited consolidated financial statements, the People's Republic of China ("PRC", "China" or "Mainland China") shall exclude Hong Kong, Macau Special Administrative Region and Taiwan

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.

In 2008, with a view to rationalize the Group's operations, the Group discontinued the 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 entering into two agreements dated 3 November 2008 to dispose of the Group's entire 100% equity interests in 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 (referred herein to as the "Disposal of Zhenjiang Docks Project"). The Disposal of Zhenjiang Docks Project constituted a major transaction of the Company and for which the controlling shareholder of the Company, NUEL has issued a written approval of the transaction as contemplated. The assets attributable to Zhenjiang Docks Project have been classified and accounted for as assets of disposal group held for sale.

2 Basis of preparation

These unaudited consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the GEM Listing Rules, including applicable Hong Kong Reporting Standards (“HKFRSs”) which collective term comprise individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2009 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of these unaudited consolidated financial statements require 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. These unaudited consolidated financial statements contain selected 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 2008 annual financial statements. These unaudited consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

These consolidated financial statements are unaudited, but has been reviewed by the audit committee of the Company.

The financial information relating to the financial year ended 31 December 2008 that is included in these unaudited consolidated financial statements as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements.

3 Adoption of new and revised HKFRSs

The HKICPA has issued new HKFRS, amendments to HKFRSs and new Interpretations (collectively referred to as “new HKFRSs”) that are first effective for the current accounting period of the Group and the Company. The adoption of the new HKFRSs by the Group had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

- (i) As a result of the adoption of HKAS 1 (revised 2008), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognized as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- (ii) The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognized as a reduction in the carrying amount of the investee, rather than as income. Consequently, as a result, all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognized in the company's profit or loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

4 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	
	3 months ended		3 months ended		3 months ended	
	31 March		31 March		31 March	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue						
Environmental services segment	5,076	8,607	-	-	5,076	8,607
Mold products segment	5,484	4,051	-	-	5,484	4,051
Plastic products segment	6,163	1,506	-	-	6,163	1,506
Turnover	16,723	14,164	-	-	16,723	14,164
Other revenue and income						
Environmental services segment						
– Net gain on disposal of property, plant and equipment	-	73	-	-	-	73
– Scrap sales and others	111	1	-	-	111	1
Mold products segment						
– Scrap sales and others	8	14	-	-	8	14
Plastic products segment						
– Scrap sales and others	1	-	-	-	1	-
Unallocated						
– Bank interest income	15	27	-	-	15	27
– Exchange gain, net	8	91	-	-	8	91
Disposal group						
– Bank interest income	-	-	1	183	1	183
	143	206	1	183	144	389
Total	16,866	14,370	1	183	16,867	14,553

5 Finance costs

	Continuing operations		Discontinued operation		Consolidated	
	3 months ended		3 months ended		3 months ended	
	31 March		31 March		31 March	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest expense on						
– Bank loans wholly repayable within 5 years	181	185	–	–	181	185
– Finance lease	1	1	–	–	1	1
Imputed interest expenses on						
– Non-current promissory notes	535	–	–	–	535	–
	<u>717</u>	<u>186</u>	<u>–</u>	<u>–</u>	<u>717</u>	<u>186</u>

6 Income tax

	Continuing operations		Discontinued operation		Consolidated	
	3 months ended		3 months ended		3 months ended	
	31 March		31 March		31 March	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax						
– Hong Kong	–	–	–	–	–	–
– PRC Enterprise Income Tax	(162)	–	–	–	(162)	–
Deferred taxation	199	91	–	–	199	91
	<u>37</u>	<u>91</u>	<u>–</u>	<u>–</u>	<u>37</u>	<u>91</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.

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profit for the period. 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 period (2008: Nil).

The PRC subsidiaries of the Group are subject to PRC Enterprise Income Tax at 25% (2008: 25%). 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, but subject to PRC Enterprise Income Tax of 12.5% for the years 2009 to 2011. The first profit-making year of Zhenjiang New Universe was 2008 and accordingly, they are not subject to PRC Enterprise Income Tax in 2008 and 2009.

The PRC subsidiary, Suzhou New Universe Smartech Tooling and Plastics Limited (“Suzhou New Universe”) had no profit subject to PRC Enterprise Income Tax during the periods.

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

7 Earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to equity holders of the Company for the three months ended 31 March 2009 and 2008 and the weighted average number of ordinary shares in issue during these periods.

There were no dilutive events in the three months ended 31 March 2009 and 2008 and therefore, the diluted earnings per share is same as basic earnings per share for both periods.

(ii) *Exchange fluctuation reserve*

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policies of translation of foreign currencies.

(iii) *Investments revaluation reserve*

The investment revaluation reserve comprises changes in fair value of the available-for-sale equity investments of the Group and is stated net of any applicable deferred taxes. The investment revaluation reserve is dealt with in accordance with the accounting policies of available-for-sale equity investments.

(iv) *General reserve*

Pursuant to a capital reorganization of the Company with effect on 18 December 2006 comprising share consolidation, share subdivision, capital reduction and share premium cancellation, all the balances of the then share premium account in the amount of HK\$27,847,000 of the Group, the then contributed surplus in the amounts of HK\$31,929,000 of the Group brought forward as at 31 December 2005, and the amount of capital reduction of HK\$72,990,000 were transferred to this designated reserve as distributable reserve account of the Company, out of which, HK\$100,837,000 was applied to write off the then accumulated losses of HK\$100,837,000 of the Group brought forward as at 31 December 2006. The balance of this general reserve is distributable and for such use as permissible under the laws of Cayman Islands and the articles of association of the Company.

(v) *Distributability of reserves*

At 31 March 2009, the Company has reserves available for distribution to its equity shareholders amounting to HK\$229,477,000 (31 December 2008: HK\$230,321,000). According to the articles and association of the Company, dividends may be declared and paid out of the profits of the Company, realized or unrealized, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law (revised) of the Cayman Islands and every modification thereof.

9 Comparative figures

Certain comparative figures in these unaudited consolidated financial statements have been reclassified as a result of the adoption of HKFRS 5 to account for the disposal of Zhenjiang Docks Project and the adoption of HKAS 1 (revised 2008).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

During the period under review, economic weakness was found in all sectors though the expectations about the economic prospects might be stabilizing entering the second quarter of 2009. Given the economic weakness worldwide, the downside risks to growth of the PRC operations still remain high.

The Group has been in negotiation with the buyer for revising the completion terms of the Disposal of the Zhenjiang Docks Project. With the assistance and witness of the China Parties, the Group has entered into a supplemental agreement in relation to the Disposal of the Zhenjiang Docks Project. According to the supplemental agreement, the adjusted total consideration for the Disposal of the Zhenjiang Docks Project was increased from RMB84,951,300 (approximately HK\$95,995,000) to RMB85,849,100 (approximately HK\$97,009,000).

Environmental Operations

The core environmental businesses of the Group are carried out by three 82% indirectly owned environmental subsidiaries, 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, servicing major hospitals, clinics and major industrial enterprises in their respective cities. Zhenjiang New Universe, Yancheng New Universe and Taizhou New Universe own their pyrolyzing incinerators each with an annual incineration capacity of over 3,000 tons hazardous waste collected. Zhenjiang New Universe operates a landfill with a capacity of 750,000 cubic metres to handle 35,000 tons of general industrial solid waste per annum and 96 cubic metres of industrial liquid waste per day.

In 1Q 2009, Zhenjiang New Universe managed and disposed of over 950 tons general industrial waste, over 1,050 tons hazardous industrial waste, and over 120 tons regulated medical solid waste collected. In 1Q 2009, Yancheng New Universe managed and disposed of over 800 tons general and hazardous industrial waste and over 150 tons regulated medical solid waste collected. In 1Q 2009, Taizhou New Universe managed and disposed of over 300 tons general and hazardous industrial waste and over 130 tons regulated medical solid waste collected.

For the three months ended 31 March 2009, the Group's total revenue from environmental operations amounted to HK\$5,076,000 (1Q 2008:HK\$8,607,000).

Since the acquisition completed on 8 August 2008, the Group holds 38% equity interests in New Sinotech Investments Limited (“New Sinotech”), and New Sinotech holds 100% direct equity interest in Fair Time International Limited (“Fair Time”) and 100% indirect equity interest in Zhenjiang Sinotech Eco-electroplating Development Limited indirectly (“Zhenjiang Sinotech”) (collectively referred to as the “New Sinotech Group”). 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 with a zone area of approximately 183,521 square kilometres (“Eco-plating Specialized Zone Project”). The Eco-plating Specialized Zone Project is engaged in the development and operation of the specialized zone for environmental electroplating recycling business, the environmental treatment of electroplating sewage and sludge, and the recycling of metallic substance and resources.

For the three months ended 31 March 2009, the Group shared net loss of the New Sinotech Group amounted to HK\$30,000 (1Q 2008: Nil).

Manufacturing Operations

Suzhou New Universe, being a 97% owned manufacturer of the Group situated at Changjiang River Delta in China, is currently the only plant of the Group to manufacture and sell injection molds and plastic injection products both locally in Mainland China. Total turnover of Suzhou New Universe in 1Q 2009 was HK\$11,647,000 representing an increase of 109.6% as compared to HK\$5,557,000 in 1Q 2008. Sales of molds and plastic products of Suzhou New Universe in 1Q 2009 increased by 35.4% and 309.2% to HK\$5,484,000 and HK\$6,163,000 as compared to last corresponding period of HK\$4,051,000 and HK\$1,506,000 respectively.

Investments in Plastics Dyeing Operations

The Group indirectly 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. 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 1Q 2009, the Group shared net profit of Qingdao Huamei amounted to HK\$234,000. (1Q 2008: HK\$216,000). The net profit margins of Suzhou New Huamei and Danyang New Huamei were 1.9% and 4.7% in 1Q 2009 respectively (1Q 2008: 3.5% and 7.0% respectively). According to the indication letter dated 8 May 2009 issued by the independent professional valuer, BMI Appraisals Limited, the total carrying market value of the available-for-sale equity investments as at 31 March 2009 were not materially different from that as at 31 December 2008 of HK\$48,900,000.

Development of Zhenjiang Docks Project

The co-operation between the Company and the China parties (referred therein as “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 therein the Zhenjiang Docks Project, has no significant progress up to 1Q 2009.

Up to 31 March 2009, the two wholly foreign owned enterprises established for the purpose of carrying out the Zhenjiang Docks Project in Zhenjiang, China, namely therein, 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 been 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 March 2009, 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 be materialized owing to revision policies 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 the 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 therein as the Disposal of Zhenjiang Docks Project). The Disposal of Zhenjiang Docks Project constituted a major transaction of the Company in 2008 and to which the controlling shareholder of the Company, NUEL, has issued a written approval of the transactions as contemplated. On 5 November 2008 and 18 November 2008, the Company made an announcement and dispatched a circular respectively on the details of the Disposal of Zhenjiang Docks Project.

Up to the date of this announcement the Disposal of Zhenjiang Docks Project has not yet been completed, and the Group has been seeking and pending legal advises on actions to be taken on the Dock Disposal Agreements.

As referred to the details set out in the Company's announcement dated 7 May 2009, on 27 April 2009 the Group entered into a supplemental agreement in relation to the Disposal of Zhenjiang Docks Project, pursuant to which a refundable deposit of RMB3,500,000 (approximately HK\$3,955,000) has been paid by the buyer on 6 May 2009, and the adjusted consideration in aggregate of RMB85,849,100 (approximately HK\$97,009,000) would be settled as to (i) RMB17,049,100 (approximately HK\$19,265,000) after the termination of the approval certificates of WFOEs, (ii) RMB20,000,000 (approximately HK\$22,600,000) after the change of business licenses of the WFOEs in favour of the buyer, and (iii) RMB48,800,000 (approximately HK\$55,144,000) after the buyer obtains legal title of the land for the Zhenjiang Docks Project.

Prospects

Entering 2009, the Group's performance showed downturn in the first quarter as compared to the last corresponding period. The Group is cautiously optimistic though well aware of some uncertainties ahead. If the Dock Disposal Agreements were eventuated or terminated or if the development plan of the Zhenjiang Docks Project were revised, the Group would be able to further capture opportunities of environmental operations to drive sustainable growth. The Group will focus on the environmental operations and ensure the stable development of Suzhou New Universe. The Group believes that with the dedicated efforts of our employees and the continued support of our customers and business partners, we will continue to create greater value for our shareholders.

FINANCIAL REVIEW

Turnover

The Group's turnover was HK\$16,723,000 for the three months ended 31 March 2009 (herein referred to as "1Q 2009") representing an increase of 18.1% from HK\$14,164,000 for the three months ended 31 March 2008 (herein referred to as "1Q 2008"). The manufacturing operations contributed for 69.6% of the Group's turnover in 1Q 2009 as compared to 39.2% in 1Q 2008. The environmental operations contributed for 30.4% of the Group's turnover in 1Q 2009 as compared to 60.8% in 1Q 2008.

Gross profit

Gross profit of the Group for 1Q 2009 decreased by 33.5% to HK\$4,307,000 as compared to HK\$6,472,000 in 1Q 2008. The overall gross profit margin of the Group was 25.8% in 1Q 2009 (1Q 2008: 45.7%). The average gross profit margin of the Group's manufacturing operations was 14.5% in 1Q 2009 (1Q 2008: 20.2%). The average gross profit margin of the Group's environmental operations was 51.6% in 1Q 2009 (1Q 2008: 62.3%).

(Loss)/profit attributable to equity holders of the Company

The Group made a loss attributable to equity holders of the Company of HK\$1,006,000 in 1Q 2009 as compared to a profit of HK\$1,856,000 in 1Q 2008.

Loss per share attributable to the continuing operations and discontinued operation were Hong Kong cents 0.05 and Hong Kong cents 0.01 respectively for 1Q 2009 as compared to earnings per share attributable to the continuing operations and discontinued operation of Hong Kong cents 0.09 and Hong Kong cents 0.01 respectively for 1Q 2008.

Other revenue and income

The Group's other revenue and income from continuing operations decreased to HK\$143,000 for 1Q 2009 as compared to HK\$206,000 for 1Q 2008. Other revenue and income from discontinued operation mainly attributable to bank interest income amounted to HK\$1,000 in 1Q 2009 (1Q 2008: HK\$183,000).

Selling and distribution costs

Selling and distribution costs of the Group for continuing operations decreased by 25.1% to HK\$1,020,000 for 1Q 2009, representing 6.1% to the Group's turnover in 1Q 2009 (1Q 2008: HK\$1,362,000 representing 9.6% to Group's turnover in 1Q 2008). The current decrease in selling and distribution costs was mainly attributable to decrease in incentive payments to sales persons and marketing agencies for both environmental and manufacturing operations in 1Q 2009. There were no selling and distribution costs incurred for discontinued operation in 1Q 2009 and 1Q 2008.

Administrative expenses

Administrative expenses of the Group for continuing operations increased by 16.1% to HK\$3,180,000 in 1Q 2009, representing 19.0% to the Group's turnover in 1Q 2009 (1Q 2008: HK\$2,740,000 representing 19.3% to the Group's turnover in 1Q 2008). Administrative expenses for discontinued operation amounted to HK\$19,000 in 1Q 2009 (1Q 2008: HK\$57,000).

Other operating expenses

Other operating expenses of the Group for continuing operations increased by 122.4% to HK\$676,000 in 1Q 2009, representing 4.0% to the Group's turnover in 1Q 2009 (1Q 2008: HK\$304,000 representing 2.1% to Group's turnover in 1Q 2008). The current increase in other operating expenses was mainly attributable to increase in amortization of land lease prepayments in 2009. There were no other operating expenses incurred for discontinued operation in 1Q 2009 (1Q 2008: Nil).

Finance costs

Finance costs of the Group for continuing operations increased by 285.5% to HK\$717,000 in 1Q 2009 as compared to HK\$186,000 in 1Q 2008. 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\$535,000 for 1Q 2009. There were no finance costs incurred for discontinued operation 1Q 2009 and 1Q 2008.

Liquidity and financial resources

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

As at 31 March 2009, the Group had total cash and bank balances of HK\$21,414,000 (31 December 2008: HK\$23,128,000) and had cash and bank balances of the disposal group held for sale amounted to HK\$23,203,000 (31 December 2008: HK\$23,258,000).

As at 31 March 2009, the Group had available unused general banking facilities amounted to HK\$10,000,000 (31 December 2008: HK\$10,000,000).

As at 31 March 2009, the Group had total outstanding interest bearing borrowings of approximately HK\$10,173,000 (31 December 2008: HK\$10,174,000) as follows:

- (i) secured interest bearing bank borrowings of approximately HK\$10,170,000 (31 December 2008: HK\$10,170,000); and
- (ii) finance lease payables of approximately HK\$3,000 (31 December 2008: HK\$4,000).

As at 31 March 2009, the Group had promissory notes payable of carrying fair value approximately HK\$20,491,000 (31 December 2008: HK\$19,956,000) (par value before imputed interests: HK\$26,920,000).

As at 31 March 2009, the Group had total outstanding non-interest bearing amounts due to the Group's related companies of approximately HK\$2,435,000 (31 December 2008: HK\$2,435,000) as follows:

- (i) unsecured non-interest bearing borrowings from the Company's controlling shareholder, NUEL, of approximately HK\$2,416,000 (31 December 2008: HK\$2,416,000); and
- (ii) due to Beijing New Universe Mirai Environmental Engineering Company Limited of approximately HK\$19,000 (31 December 2008: HK\$19,000).

Gearing ratio

The Group monitors its capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity. For this purpose, the Group defines total borrowings as the total liabilities (which including current and non-current liabilities).

The gearing ratio as at 31 March 2009 and 31 December 2008 was as follows:

	31 March 2009 HK\$'000	31 December 2008 HK\$'000
Current liabilities	33,032	35,017
Non-current liabilities	22,907	27,437
Total borrowings	<u>55,939</u>	<u>62,454</u>
Total equity	<u>282,684</u>	<u>283,679</u>
Gearing ratio	<u>19.8%</u>	<u>22.0%</u>

Save for the commitments disclosed therein, neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

Goodwill

In 2007, the Group acquired from NUEL and others 100% interest in New Universe Environmental Protection Investment Limited (herein referred to as NUEPIL) which holds 82% equity interests in each of New Universe Environmental Technologies (Jiang Su) Limited, Zhenjiang New Universe, Yancheng New Universe and Taizhou New Universe (collectively the “Environmental Acquisitions”) which are principally engaged in medical and industrial hazardous waste treatment and disposal in Mainland China. The goodwill represented the excess of the consideration over the fair value of net assets of the Environmental Acquisitions of approximately HK\$33,688,000 on the completion date.

BMI Appraisals Limited, an independent professional valuer, was engaged by the Company to conduct assessment of the carrying value of the goodwill quarterly since the completion of the Environmental Acquisitions in October 2007. Based on the indication of BMI Appraisals Limited made on 8 May 2009, the Directors of the Company opined that the recoverable amount of the goodwill at 31 March 2009 was estimated to exceed its carrying value and therefore, the Directors of the Company considered that no impairment was required as at 31 March 2009.

Capital structure

There was no significant change to the capital structure of the Group during the period ended 31 March 2009.

Material acquisitions and disposals of subsidiaries and affiliated companies

There was no significant investments nor material acquisition and disposal of subsidiaries and affiliated companies of the Company for the period ended 31 March 2009.

Investments held and their performance

According to the indication letter dated 8 May 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 as at 31 March 2009 was not materially different from that as at 31 December 2008 of HK\$48,900,000.

At 31 March 2009, the carrying market value of available-for-sale equity investments for Suzhou New Huamei attributable to the Group was HK\$39,000,000 (31 December 2008: HK\$39,000,000) and for Danyang New Huamei attributable to the Group was HK\$9,900,000 (31 December 2008: HK\$9,900,000). In 1Q 2009, no impairment losses of the available-for-sale equity investments was accounted for in the statement of comprehensive income of the Group. No dividend income has yet been declared by Suzhou New Huamei and Danyang New Huamei in 1Q 2009. On 23 April 2009 and 24 April 2009, the boards of Suzhou New Huamei and Danyang New Huamei have declared dividends respectively with HK\$1,262,000 and HK\$559,000 respectively distributable to the Group (2008: HK\$1,624,000 and HK\$400,000 respectively).

The Group holds 28.67% equity interest in Qingdao Huamei as an associate. For three months ended 31 March 2009, the Group shared net profit in respect of the interest in Qingdao Huamei amounted to HK\$234,000 (1Q 2008: HK\$216,000). No dividend has yet been declared by Qingdao Huamei in 1Q 2009. On 22 April 2009, the board of Qingdao Huamei has declared dividend with HK\$972,000 distributable to the Group (2008: HK\$648,000).

The Group holds 38% equity interests in New Sinotech, and New Sinotech holds 100% equity interest in Fair Time International Limited directly and 100% equity interest in Zhenjiang Sinotech Eco-electroplating Development Limited indirectly. In 1Q 2009, the Group shared net loss of the New Sinotech Group amounted to HK\$30,000 (1Q 2008: Nil).

Charges on Group assets

As at 31 March 2009, the Group pledged the land use rights owned by Suzhou New Universe with a carrying value of HK\$2,359,000 (31 December 2008: HK\$2,373,000), together with its property, plant and equipment with carrying value of HK\$9,569,000 (31 December 2008: HK\$9,716,000) to a bank in China to secure bank loans of HK\$10,170,000 (31 December 2008: HK\$10,170,000) (equivalent to RMB9,000,000) granted to the Suzhou New Universe.

As at 31 March 2009, the Group's property, plant and equipment with carrying value of HK\$4,000 (31 December 2008: HK\$6,000) were held under finance leases with payable amounted to HK\$3,000 (31 December 2008: HK\$4,000).

Capital expenditure

In 1Q 2009, the Group had capital expenditure to increase property, plant and equipment for its manufacturing operations amounted to HK\$588,000 (1Q 2008: HK\$47,000), and had capital expenditure to increase property, plant and equipment for its environmental operations amounted to HK\$561,000 (1Q 2008: HK\$2,059,000).

1Q 2009, the Group also had capital expenditure in relation to the discontinued operation of docks development amounted to HK\$36,000 (1Q 2008: HK\$4,188,000).

Commitments

As at 31 March 2009, 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\$520,000 (31 December 2008: HK\$562,000), and the commitments of operating lease payable after 5 years for the landfill was HK\$158,000 (31 December 2008: HK\$158,000).

As at 31 March 2009, there were also capital commitments of the Group authorized but not contracted for amounted to HK\$63,761,000 (31 December 2008: HK\$63,761,000) which were all related to discontinued operation of docks development; and capital commitments contracted for but not provided for amounted to HK\$154,877,000 (31 December 2008: HK\$155,862,000) of which HK\$153,783,000 (31 December 2008: HK\$153,783,000) was related to discontinued operation of docks development.

Contingent liabilities

There were no significant contingent liabilities of the Group as at 31 March 2009 (31 December 2008: Nil).

Exposure to exchange rate fluctuations

During the three months ended 31 March 2009, 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, United States 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, United States dollars and Renminbi is mostly of capital nature to the Group that did not have material effects to the Group's results in 1Q 2009. 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.

Employee information

As at 31 March 2009, the Group had 305 (31 December 2008: 312) full-time employees. Staff costs, excluding directors' remuneration but including amount capitalised as inventory was HK\$1,856,000 for the three months ended 31 March 2009 (year ended 31 December 2008: HK\$16,362,000). 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.

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

As at 31 March 2009, the interests and short positions of the directors and 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:

(i) Long positions in issued shares of the Company

Name of director	Number of ordinary shares of HK\$0.01 each			Total number of shares 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

Note:

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

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

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

Save as disclosed above, as at 31 March 2009, none of the directors and 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.

SHARE OPTION SCHEME

The Company has a share option scheme which was adopted by the Company's shareholders in general meeting on 10 December 2003 ("Share Option Scheme"), whereby the directors of the Company are authorized, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The Share Option Scheme shall be valid and effective for a period of 10 years ending on 9 December 2013, after which no further options will be granted.

The total number of securities available for issue under the Share Option Scheme as at 31 March 2009 was 182,589,168 shares of the Company which represented the latest scheme mandate limit given to the Company's directors as refreshed by the Company's shareholders on 28 April 2008 and approved by the Stock Exchange on 23 May 2008.

As at 31 March 2009 and during the three months then ended, no option has been granted nor outstanding under the Company's Share Option Scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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.

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

As at 31 March 2009, 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 substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in shares of the Company

	Number of ordinary shares of HK\$0.01 each			Total number of shares held	% of total shares in issue
	Beneficial owner	Family interests	Corporate interests		
Substantial shareholder					
NUEL	1,349,649,115	-	-	1,349,649,115	73.91
XI Yu *	-	-	1,349,649,115	1,349,649,115	73.91

Note:

* 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 March 2009, 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 or be 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.

DIRECTOR'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

The following contracts or arrangements subsisted during the three months ended 31 March 2009 of which certain Directors of the Company had interests that were deemed significant to the business of the Group:

- (i) On 12 October 2007, NUEL granted an unsecured interest-free loan of HK\$2,416,000 to the Company for the settlement of the price adjustment in cash upon the completion of the Group's entire interests in Dongguan Smartech Tooling and Plastics Limited, which was repayable on demand or before 12 October 2008, and extension of repayment was granted to 12 January 2010. Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. SUEN Ki are common directors of the Company and NUEL.
- (ii) On 1 August 2008, a renewed rental agreement was entered into between Smartech Services Limited ("Smartech Services", an indirectly wholly owned subsidiary of the Company) and Sun Ngai International Investment Limited ("Sun Ngai") at normal commercial terms in the ordinary and usual course of business of the Company, pursuant to which Smartech Services shall pay Sun Ngai monthly rental of HK\$10,000 to rent an office unit for one year commencing 1 August 2008. Mr. XI Yu and Ms. CHEUNG Siu Ling are common directors of the Company, Smartech Services and Sun Ngai.
- (iii) On 26 February 2009, a framework supply agreement ("Supply Contract") was entered into between Suzhou New Universe (an indirect 97% owned subsidiary of the Group) and China (HK) Chemical and Plastics Company Limited ("China (HK) Chemical"), 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 tons to be supplied under the Supply Contract for the purposes of production of Suzhou New Universe. Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. SUEN Ki are common directors of the Company and China (HK) Chemical. Mr. XI Yu and Ms. CHEUNG Siu Ling are also directors of Suzhou New Universe.

- (iv) Pursuant to the Supply Contract dated 26 February 2009, during the three months ended 31 March 2009, Suzhou New Universe purchased plastic materials of 296 metric tons in an aggregate amount of HK\$3,242,000 from China (HK) Chemical in the ordinary and usual course of business of the Group on a payment term with credit period of 90 days from the shipment dates. Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. SUEN Ki are common directors of the Company and China (HK) Chemical. Mr. XI Yu and Ms. CHEUNG Siu Ling are also directors of Suzhou New Universe.

Save as disclosed, as at 31 March 2009, none of the Directors of the Company is materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

COMPETITION AND CONFLICT OF INTERESTS

Save as disclosed therein, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

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

Neither of the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the three months ended 31 March 2009.

CORPORATE GOVERNANCE PRACTICES

Throughout the three months ended 31 March 2009, the Company has complied with all code provisions of the Code on Corporate Governance Practices (the "CG Code") as set in Appendix 15 of the GEM Listing Rules 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 announcement has to share the responsibilities of the vacant office of the Group's chief executive officer since the resignation of the last 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 three months ended 31 March 2009.

AUDIT COMMITTEE

The Company's Audit Committee has been established since May 2000 with written terms of reference in compliance with the GEM Listing Rules, which members comprise three independent non-executive directors, Dr. CHAN Yan Cheong (Committee Chairman), Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred.

The Audit Committee reviewed with management on the accounting principles and practices adopted by the Group and discussed on the internal controls and financial reporting matters including a review of these unaudited consolidated financial statements of the Company for the three months ended 31 March 2009.

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

Hong Kong, 8 May 2009

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

Mr. XI Yu	<i>(Executive Director)</i>
Ms. CHEUNG Siu Ling	<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>

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