New Universe International Group Limited

新宇國際實業(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8068)

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

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.

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

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

- Total turnover increased by 15.4% to HK$86,793,000 in 2009 from HK$75,194,000 in 2008

- Total profit attributable to the Company's owners increased by 119.0% to HK$18,355,000 from HK$8,381,000 in the previous year

- Total earnings per share attributable to the Company's owners were HK cents 1.01 compared to HK cents 0.46 in 2008

- The Board resolved not to declare a final dividend for the year ended 31 December 2009 in order to conserve sufficient funds for sustainable growth

- Cash and cash equivalents amounted to HK$42,823,000 at 31 December 2009 compared to HK$23,128,000 at 31 December 2008

- Equity attributable to the owners of the Company was HK$288,953,000 at 31 December 2009 versus HK$275,433,000 a year earlier

The board of directors (the "Board") of New Universe International Group Limited hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2009, together with the comparative figures for 2008.

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Continuing operations			
Turnover	5	**86,793**	75,194
Cost of sales		**(59,643)**	(46,594)
Gross profit		**27,150**	28,600
Other revenue	6	**3,370**	4,487
Other net income	7	**489**	11
Excess of fair value of net assets over the cost of acquisition of interests in associates		**–**	4,298
Impairment of goodwill		**(688)**	–
Impairment of available-for-sale equity investments		**–**	(4,012)
Distribution and selling expenses		**(5,098)**	(5,737)
Administrative expenses		**(14,323)**	(11,872)
Other expenses		**(3,123)**	(5,226)
Share of profits of associates, net		**1,303**	922
Finance costs	8	**(2,798)**	(1,700)
Profit before tax		**6,282**	9,771
Income tax	9	**(1,210)**	–
Profit for the year from continuing operations		**5,072**	9,771
Discontinued operation			
Profit for the year from discontinued operation, net	15	**15,382**	679
Profit for the year	10	**20,454**	10,450
Profit for the year attributable to:			
Owners of the Company		**18,355**	8,381
Minority interests		**2,099**	2,069
		20,454	10,450
Earnings per share for profit attributable to owners of the Company *(expressed in HK cents)*	11		
From continuing and discontinued operations			
Basic and diluted		**1.01**	0.46
From continuing operations			
Basic and diluted		**0.17**	0.42
From discontinued operation			
Basic and diluted		**0.84**	0.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Profit for the year	10	**20,454**	10,450
Other comprehensive income			
Exchange differences			
– on translation of financial statements of overseas subsidiaries		**583**	6,784
– Reclassification adjustments relating to disposal of foreign subsidiaries		**(10,257)**	8,574
Fair value gain/(loss) on available-for-sale equity investments		**4,637**	(4,110)
Share of other comprehensive income of associates		**275**	894
		(4,762)	12,142
Total comprehensive income for the year		**15,692**	22,592
Attributable to:			
Owners of the Company		**13,520**	19,763
Minority interests		**2,172**	2,829
		15,692	22,592

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	**2009** HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment		**60,348**	63,083
Prepaid lease payments		**21,819**	22,295
Goodwill		**33,000**	33,688
Interests in associates		**37,411**	36,962
Available-for-sale equity investments		**53,900**	48,900
		206,478	204,928
Current assets			
Inventories		**12,343**	10,052
Trade and bills receivables	13	**17,071**	13,811
Prepayments, deposits and other receivables		**952**	3,603
Consideration receivable on disposal of discontinued operation	16	**87,389**	–
Prepaid lease payments		**508**	508
Cash and cash equivalents		**42,823**	23,128
		161,086	51,102
Assets of disposal group classified as held for sale	16	**–**	90,103
		161,086	141,205
Current liabilities			
Interest-bearing bank borrowings		**5,121**	10,170
Trade payables	14	**10,614**	4,437
Accrued liabilities and other payables		**13,746**	12,209
Deposits received		**6,135**	8,177
Obligation under finance leases		**–**	4
Income tax payable		**2,184**	–
Amount due to a related company		**19**	19
		37,819	35,016
Liabilities associated with assets of disposal group classified as held for sale	16	**–**	1
		37,819	35,017
Net current assets		**123,267**	106,188
Total assets less current liabilities		**329,745**	311,116

	Notes	**2009** *HK$'000*	2008 *HK$'000*
Capital and reserves			
Share capital		**18,259**	18,259
Reserves	17	**270,694**	257,174
Equity attributable to owners of the Company		**288,953**	275,433
Minority interests		**10,418**	8,246
Total equity		**299,371**	283,679
Non-current liabilities			
Promissory notes		**22,185**	19,956
Deferred tax liabilities		**5,147**	5,065
Loan from a related company		**3,042**	–
Shareholder's loan		**–**	2,416
		30,374	27,437
		329,745	311,116

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

New Universe International Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The 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 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.

The financial statements are presented in Hong Kong dollars ("HK$") which is also the functional currency of the Company while the functional currency of the subsidiaries in Mainland China is Renminbi ("RMB").

As the Company is listed in Hong Kong, the directors of the Company consider that it is more appropriate to present the financial statements in HK$, where most of its investors are located in Hong Kong.

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

(i) medical and industrial waste environmental disposal services;

(ii) manufacture and sale of molds;

(iii) manufacture and sale of plastic products;

(iv) sale of plastic materials; and

(v) investments in plastic materials dyeing business.

2. BASIC OF PREPARATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair value, as explained in the accounting policies set out below.

The 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"). In addition, the financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the disclosure requirements of Hong Kong Companies Ordinance.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs, amendments and interpretations ("new HKFRSs") issued by the HKICPA which are effective or have become effective.

HKAS 1 (Revised 2007)	*Presentation of Financial Statements*
HKAS 23 (Revised 2007)	*Borrowing Costs*
HKAS 32 & 1 (Amendments)	*Puttable Financial Instruments and Obligations Arising on Liquidation*
HKFRS 1 & HKAS 27 (Amendments)	*Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 (Amendment)	*Vesting Conditions and Cancellations*
HKFRS 7 (Amendment)	*Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HK (IFRIC) – Int 9 & HKAS 39 (Amendments)	*Embedded Derivatives*
HK (IFRIC) – Int 13	*Customer Loyalty Programmes*
HK (IFRIC) – Int 15	*Agreements for the Construction of Real Estate*
HK (IFRIC) – Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK (IFRIC) – Int 18	*Transfers of Assets from Customers*
HKFRSs (Amendments)	*Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009*
HKFRSs (Amendments)	*Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39*

Except as described below, the application of the new HKFRSs had no material effect on these financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) *Presentation of Financial Statements*

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 *Operating Segments*

HKFRS 8 is a disclosure standard that has resulted in redesignation of the Group's reportable segments (note 4).

HKFRS 7 (Amendment) *Improving Disclosures about Financial Instruments*

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

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)	*Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008*[1]
HKFRSs (Amendments)	*Improvements to HKFRSs 2009*[2]
HKAS 24 (Revised)	*Related Party Disclosures*[5]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
HKAS 32 (Amendment)	*Classification of Rights Issues*[4]
HKAS 39 (Amendment)	*Eligible Hedged Items*[1]
HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*[1]
HKFRS 1 (Amendment)	*Additional Exemptions for First-time Adopters*[3]
HKFRS 2 (Amendment)	*Group Cash-settled Share-based Payment Transactions*[3]
HKFRS 3 (Revised)	*Business Combinations*[1]
HKFRS 9	*Financial Instruments*[7]
HK (IFRIC) – Int 14 (Amendment)	*Prepayments of a Minimum Funding Requirement*[5]
HK (IFRIC) – Int 17	*Distributions of Non-cash Assets to Owners*[1]
HK (IFRIC) – Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[6]

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

2 Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.

3 Effective for annual periods beginning on or after 1 January 2010.

4 Effective for annual periods beginning on or after 1 February 2010.

5 Effective for annual periods beginning on or after 1 January 2011.

6 Effective for annual periods beginning on or after 1 July 2010.

7 Effective for annual periods beginning on or after 1 January 2013.

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.

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. In addition, under HKFRS 9, changes in fair value of equity investments are generally recognised in other comprehensive income, with only dividend income recognised in profit or loss. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of *Improvements to HKFRSs* issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement to the Group's leasehold land at revalued amount.

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 statements of the Group.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standards (HKAS 14, *Segment Reporting*) required an entity to identify two segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments and geographical segments by location of customers. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit and loss.

The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

Continuing operations:

(i) Waste disposal environmental services

(ii) Manufacture and sale of mold products

(iii) Manufacture and sale of plastic products

(iv) Sale of plastic materials

(v) Investment in plastic materials dyeing business

Discontinued operation:

The Group involved in the investment and construction of dock infrastructure and the development of warehouses and depot facilities in Xinminzhou, Jingkou District, Zhenjiang City, Jiangsu, China. That operation was classified as held for sale since 3 November 2008, and discontinued with effect from 28 October 2009. Details of the discontinued operation are disclosed in note 15.

Information regarding the above segments is reported below. Amounts reported for the prior year have been re-stated to conform to the requirements of HKFRS 8.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

Continuing operations

For the year ended 31 December 2009

	Operating segments					
	Environmental services	**Mold products**	**Plastic products**	**Plastic materials trading**	**Plastic materials dyeing investments**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:						
Revenue on external sales	**39,094**	**16,568**	**12,355**	**18,776**	**–**	**86,793**
Other revenue	**1,103**	**312**	**133**	**–**	**1,822**	**3,370**
Other net income	**15**	**237**	**237**	**–**	**–**	**489**
Total	**40,212**	**17,117**	**12,725**	**18,776**	**1,822**	**90,652**
Cost of sales and services	**(15,013)**	**(15,733)**	**(11,400)**	**(17,497)**	**–**	**(59,643)**
Distribution and selling expenses	**(3,657)**	**(648)**	**(653)**	**(140)**	**–**	**(5,098)**
Administrative expenses	**(6,910)**	**(1,701)**	**(1,571)**	**–**	**–**	**(10,182)**
Other expenses	**(2,053)**	**(256)**	**(236)**	**–**	**–**	**(2,545)**
Share of profits of associates, net	**229**	**–**	**–**	**–**	**1,074**	**1,303**
Impairment of goodwill	**(688)**	**–**	**–**	**–**	**–**	**(688)**
Finance costs	**(2,229)**	**(553)**	**–**	**–**	**–**	**(2,782)**
Segment results	**9,891**	**(1,774)**	**(1,135)**	**1,139**	**2,896**	**11,017**
Unallocated corporate items:						
Central administration costs						**(3,631)**
Directors' emoluments						**(1,088)**
Finance costs						**(16)**
Profit before tax						**6,282**

For the year ended 31 December 2008

	Operating segments					
	Environmental services *HK$'000*	Mold products *HK$'000*	Plastic products *HK$'000*	Plastic materials trading *HK$'000*	Plastic materials dyeing investments *HK$'000*	Total *HK$'000*
Segment revenue:						
Revenue on external sales	38,184	27,670	9,340	–	–	75,194
Other revenue	452	1,853	158	–	2,024	4,487
Other net income	1	–	10	–	–	11
Total	38,637	29,523	9,508	–	2,024	79,692
Cost of sales and services	(16,151)	(23,761)	(6,682)	–	–	(46,594)
Distribution and selling expenses	(3,399)	(1,669)	(669)	–	–	(5,737)
Administrative expenses	(5,213)	(3,349)	(1,605)	–	–	(10,167)
Other expenses	(2,342)	(683)	(1,495)	–	–	(4,520)
Share of profits of associates, net	(153)	–	–	–	1,075	922
Excess of fair value of net assets over cost of acquisition of interests in associates	4,298	–	–	–	–	4,298
Impairment of available-for-sale equity investments	–	–	–	–	(4,012)	(4,012)
Finance costs	(861)	(837)	–	–	–	(1,698)
Segment results	14,816	(776)	(943)	–	(913)	12,184
Unallocated corporate items:						
Central administration costs						(1,401)
Directors' emoluments						(1,010)
Finance costs						(2)
Profit before tax						9,771

Segment results represents the profit earned by and loss from each segment without allocation of central corporate items including central administration costs, directors' emoluments and finance costs of the head office in Hong Kong. This is the measure reported to the chief operating decision maker, the Board of directors and the chairman of the Group, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	2009	2008
	HK$'000	*HK$'000*
Segment assets		
Continuing operations:–		
Environmental services	**149,653**	142,474
Mold products	**30,628**	36,501
Plastic products	**17,785**	17,989
Plastic materials trading	**7,689**	–
Plastic materials dyeing investments	**59,757**	54,618
Total segment assets relating to continuing operations	**265,512**	251,582
Assets relating to discontinued operation	**87,389**	90,103
Central administration	**14,663**	4,448
Consolidated assets	**367,564**	346,133
Segment liabilities		
Continuing operations:–		
Environmental services	**38,525**	35,466
Mold products	**14,406**	21,587
Plastic products	**1,374**	1,126
Plastic materials trading	**7,169**	–
Plastic materials dyeing investments	**363**	–
Total segment liabilities relating to continuing operations	**61,837**	58,179
Liabilities relating to discontinued operation	**–**	1
Central administration	**6,356**	4,274
Consolidated liabilities	**68,193**	62,454

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments, and assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

- all liabilities are allocated to reportable segments, and liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Other segment information

Continuing operations

For the year ended 31 December 2009

	Operating segments					
	Environmental services *HK$'000*	**Mold products** *HK$'000*	**Plastic products** *HK$'000*	**Plastic materials trading** *HK$'000*	**Plastic materials dyeing investments** *HK$'000*	**Total** *HK$'000*
Amounts included in the measure of segment results or segment assets:						
Additions to property, plant and equipment	**2,494**	**730**	**386**	**135**	**–**	**3,745**
Depreciation	**3,375**	**2,415**	**1,112**	**12**	**–**	**6,914**
Amortisation	**454**	**54**	**–**	**–**	**–**	**508**
Impairment of trade receivables	**6**	**–**	**–**	**–**	**–**	**6**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:						
Income tax	**1,084**	**–**	**–**	**–**	**126**	**1,210**

For the year ended 31 December 2008

	Operating segments					
	Environmental services *HK$'000*	Mold products *HK$'000*	Plastic products *HK$'000*	Plastic materials trading *HK$'000*	Plastic materials dyeing investments *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment results or segment assets:						
Additions to property, plant and equipment	10,458	270	1,814	–	–	12,542
Depreciation	2,687	2,452	884	–	–	6,023
Amortisation	453	55	–	–	–	508
Gain on disposal of property, plant and equipment	1	–	–	–	–	1
Reversal of impairment on trade receivables	–	–	(10)	–	–	(10)
Write-down of inventories	–	–	1,130	–	–	1,130
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:						
Income tax	–	–	–	–	–	–

Geographical information

Continuing operations

The Group's operations are location on Hong Kong and Mainland China. The Group's total segment revenue from continuing operations and information about its non-current assets by geographical location of the assets are detailed below:

	Total segment revenue		**Total segment assets**	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**2,299**	3,915	**124,315**	119,550
Mainland China	**88,353**	75,777	**141,197**	132,032
	90,652	79,692	**265,512**	251,582

Information about major customers

Continuing operations

The Group has only one customer with whom transactions have exceeded 10% of the Group's total revenue for the year ended 31 December 2009 and the amount of sales to this customer amounted to HK$11,844,000. For the year ended 31 December 2008, there was no single customer with whom transactions exceeded 10% of the Group's total revenue.

5. TURNOVER

An analysis of the Group's turnover for the year from continuing operations is as follows:

	2009	2008
	HK$'000	*HK$'000*
Environmental service income	**39,094**	38,184
Sale of mold products	**16,568**	27,670
Sale of plastic products	**12,355**	9,340
Sale of plastic materials	**18,776**	–
	86,793	75,194

6. OTHER REVENUE

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**184**	150
Dividends from available-for-sale equity investments	**1,822**	2,024
Scrap sales	**1,364**	2,313
	3,370	4,487

7. OTHER NET INCOME

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Reversal of impairment on trade receivables	**–**	10
Net foreign exchange gain	**489**	–
Net gain on disposal of property, plan and equipment	**–**	1
	489	11

8. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Interest on:		
Bank loans wholly repayable within five years	**503**	837
Other borrowings	**65**	–
Finance leases	**1**	2
Imputed interest expenses on promissory notes	**2,229**	861
Total borrowing costs	**2,798**	1,700

9. INCOME TAX

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Current tax:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**1,491**	–
	1,491	–
Deferred tax	**(281)**	–
	1,210	–

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 profits for the year. No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits arising in Hong Kong for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax ("EIT") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Suzhou New Universe Smartech Tooling and Plastics Limited ("Suzhou New Universe"), Zhenjiang New Universe Solid Waste Disposal Company Limited ("Zhenjiang New Universe"), Taizhou New Universe Solid Waste Disposal Company Limited ("Taizhou New Universe"), and Yancheng New Universe Solid Waste Disposal Company Limited ("Yancheng New Universe") are located and operated in the PRC.

Zhenjiang New Universe, Taizhou New Universe, and Yancheng New Universe are entitled to the exemptions from PRC Foreign Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% tax relief for the next three years. Yancheng New Universe and Taizhou New Universe would be subject to EIT of 12.5% for the years from 2009 to 2011. The first profit-making year of Zhenjiang New Universe was 2008, which was not subject to EIT in 2008 and 2009, but would be subject to EIT of 12.5% for the years from 2010 to 2012. Suzhou New Universe had no profit subject to EIT for the years of 2008 and 2009.

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

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Profit before tax	**6,282**	9,771
Tax at the average income tax rate	**2,026**	2,112
Tax effect of expenses not deductible for tax purpose	**1,145**	1,621
Tax effect of income not taxable for tax purpose	**(579)**	(2,043)
Tax effect of tax losses not recognised	**1,764**	683
Tax effect of tax losses utilised	**–**	(262)
Effect of temporary difference	**(281)**	–
Effect of tax exemptions granted to PRC subsidiaries	**(2,865)**	(2,111)
Tax charge and effective rate for the year	**1,210**	–

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Depreciation for property, plant and equipment		
– owned	**6,908**	6,016
– held under finance leases	**6**	7
Amortisation of land lease prepayments	**508**	508
	7,422	6,531
Impairment on financial assets		
– trade receivables	**6**	–
– available-for-sale equity investments	**–**	4,012
	6	4,012
Auditor's remuneration		
– audit service	**550**	550
– non-audit services	**15**	122
Net foreign exchange (gains)/losses	**(489)**	349
Research and development costs recognised as an expense	**231**	145
Gain on disposal of property, plant and equipment	**–**	(1)
Write-down of inventories	**–**	1,130
Cost of inventories consumed	**59,643**	46,594
Staff costs:		
(exclusive of directors' emoluments):		
Contributions to retirement benefits schemes	**1,759**	1,385
Salaries, wages and other benefits	**16,306**	14,977
Directors' emoluments	**1,088**	1,010
	19,153	17,372

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Number of shares

	2009	2008
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,825,892**	1,825,892

Earnings

	2009	2008
	HK$'000	*HK$'000*
For continuing and discontinued operations		
Earnings for the purpose of basic earnings per share	**18,355**	8,381
For continuing operations		
Earnings for the purpose of basic earnings per share from continuing operations	**2,973**	7,702
For discontinued operation		
Earnings for the purpose of basic earnings per share from discontinued operation	**15,382**	679

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

12. DIVIDEND

No dividend was paid or proposed during 2009, nor has any dividend been proposed since the end of the reporting period (2008: Nil).

13. TRADE AND BILLS RECEIVABLES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**15,766**	13,977
Less: allowance for doubtful debts	**(971)**	(977)
	14,795	13,000
Bills receivables	**2,276**	811
	17,071	13,811

The Group's trading terms with its customers are mainly on credit. The Group allows an average credit period of 90 days to its customers of the mold products segment, an average credit period of 60 days to its customers of the plastic products segment and the environmental services segment. The following is an ageing analysis of trade and bills receivables (net of allowance for doubtful debts) presented based on the invoice date at the end of the reporting period.

	Group	
	2009	2008
	HK$'000	HK$'000
0 day to 30 days	**9,452**	7,654
31 days to 60 days	**3,647**	2,045
61 days to 90 days	**1,318**	1,477
91 days to 180 days	**1,992**	1,775
181 days to 360 days	**538**	796
Over 360 days	**124**	64
Financial assets measured at amortised cost	**17,071**	13,811

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

	Group	
	2009	2008
	HK$'000	*HK$'000*
Neither past due nor impaired	**14,417**	11,176
Less than 90 days past due	**1,992**	1,775
More than 90 days past due	**662**	860
	17,071	13,811

Receivables that were neither past due nor impaired relate to a wide range of independent customers for whom there was no recent history of default and 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.

Movement in the allowance for doubtful debts:

	Group	
	2009	2008
	HK$'000	*HK$'000*
At 1 January	**977**	987
Amounts written off as uncollectible	**(6)**	–
Amounts recovered during the year	**–**	(10)
At 31 December	**971**	977

At 31 December 2009, the Group's trade debtors of HK$971,000 (2008: HK$977,000) were individually determined to be impaired. The individually impaired receivables related to a number of customers and management assessed that the receivables are not recoverable. Consequently specific allowances for doubtful debts were recognised, the Group does not hold any collateral over these balances.

14. TRADE PAYABLES

The following is an ageing analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	Group	
	2009	2008
	HK$'000	*HK$'000*
0 day to 30 days	**2,883**	1,573
31 days to 60 days	**2,888**	846
61 days to 90 days	**3,897**	626
Over 91 days	**946**	1,392
Financial liabilities measured at amortised cost	**10,614**	4,437

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

15. DISCONTINUED OPERATION

On 28 October 2009, the Company completed the disposal of the entire equity interests in New Universe International (Zhenjiang) Port Company Limited ("Zhenjiang Port Company") and New Universe International (Zhenjiang) Warehouses Company Limited ("Zhenjiang Warehouses Company") (collectively referred to as the "Zhenjiang Dock Project") to an independent party at a consideration of RMB85,849,100 (approximately HK$97,696,000), based on an agreement dated 3 November 2008 as modified by two supplemental agreements dated 27 April 2009 and 10 September 2009 (collectively referred to as the "Dock Disposal Agreements").

The assets and liabilities attributable to the Zhenjiang Dock Project had been classified as disposal group held for sale and presented separately in the consolidated statement of financial position as at 31 December 2008.

(i) Profit from discontinued operation

The profit from the discontinued operation as a disposal group for the year is analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Operating profit of the Zhenjiang Dock Project for the year	**–**	679
Gain on disposal of the Zhenjiang Dock Project *(note 16)*	**15,382**	–
	15,382	679

(ii) Operating profit from discontinued operation

Operating profit of the discontinued operation as a disposal group for the year is analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Turnover	**–**	–
Cost of sales	**–**	–
Interest income	**–**	752
Other income	**–**	–
Distribution and selling expenses	**–**	–
Administrative expenses	**–**	(73)
Profit before tax	**–**	679
Income tax	**–**	–
Profit from discontinued operation after tax for the year	**–**	679

(iii) Cash flows on discontinued operation

During the year, Zhenjiang Dock Project had not contributed to (2008: HK$679,000) the Group's net operating cash flows, had contributed to net cash outflow of HK$13,549,000 (2008: HK$1,118,000) in respect of the Group's investing activities, and had not contributed to the Group's financing activities.

16. DISPOSAL OF SUBSIDIARIES

As referred to note 15, on 28 October 2009, the Group disposed of its equity interests in Zhenjiang Dock Project. The net assets of the Zhenjiang Dock Project at the date of disposal were as follows:

	Group 2009 *HK$'000*
NET ASSETS DISPOSED OF:	
Deposits paid to the local government for the docks development (2008: HK$55,144,000)	55,144
Docks development costs (2008: HK$7,159,000)	7,197
Prepayments and other receivables (2008: HK$4,542,000)	4,559
Cash and bank balances (2008: HK$23,258,000)	23,202
Other payables (2008: HK$1,000)	–
	90,102
Direct costs relating to the disposal	469
Attributable PRC income tax	2,000
Release of translation reserve	(10,257)
	82,314
Gain on disposal, net	15,382
Total cash consideration	97,696
Consideration received in cash	10,307
Consideration receivable	87,389
Total	97,696
Net cash outflow for the year arising on disposal:	
Cash consideration settled during the year	10,307
Attributable PRC income tax paid	(130)
Direct costs and other cash outgoings	(524)
Cash and bank balances disposed of	(23,202)
	(13,549)
Cash consideration to be settled subsequent to year end date	87,389

Out of the total consideration, cash deposit of RMB3,500,000 (approximately HK$3,983,000) was received on 6 May 2009, instalments of (i) RMB5,557,365 (approximately HK$6,324,000) and (ii) RMB31,491,735 (approximately HK$35,838,000) were received on 29 December 2009 and on 21 January 2010 respectively, and the net balance of RMB45,300,000 (approximately HK$51,551,000) which has been guaranteed by the China Parties under the Dock Disposal Agreements, is expected to be settled in 2010 upon obtaining the land use rights certificates of the Zhenjiang Dock Project.

The impact of Zhenjiang Dock Project on the Group's results and cash flows in the current and prior period is disclosed in note 15.

17. RESERVES

Details of movements in the reserves during the year of the Group are set out as follows:

Group

	Share premium HK$'000	Translation reserve HK$'000	Investment revaluation reserve HK$'000	General reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2008	206,488	3,600	4,110	31,929	(8,716)	237,411
Profit for the year	–	–	–	–	8,381	8,381
Other comprehensive income						
Exchange differences on translation of						
– financial statements of overseas subsidiaries	–	6,024	–	–	–	6,024
– financial statements of disposal group held for sale	–	8,574	–	–	–	8,574
Fair value loss on available-for-sale equity investments	–	–	(4,110)	–	–	(4,110)
Share of other comprehensive income of associates	–	894	–	–	–	894
Total comprehensive income for the year	–	15,492	(4,110)	–	8,381	19,763
At 31 December 2008 and 1 January 2009	206,488	19,092	–	31,929	(335)	257,174
Profit for the year	–	–	–	–	18,355	18,355
Other comprehensive income						
Exchange differences						
– on translation of financial statements of overseas subsidiaries	–	510	–	–	–	510
– release on disposal of subsidiaries *(note 16)*	–	(10,257)	–	–	–	(10,257)
Fair value gain on available-for-sale equity investments, net of deferred tax	–	–	4,637	–	–	4,637
Share of other comprehensive income of associates	–	275	–	–	–	275
Total comprehensive income for the year	–	(9,472)	4,637	–	18,355	13,520
At 31 December 2009	206,488	9,620	4,637	31,929	18,020	270,694

Nature and purpose of reserves are as follows:

(i) Share premium

The application of the share premium account is governed by Section 34 of the Companies Law (revised) of the Cayman Islands and every modification thereof. 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.

(ii) Translation reserve

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

(iii) Investment revaluation reserve

Investment revaluation reserve represents changes in fair value of available-for-sales equity investments.

(iv) General reserve

The general reserve comprises transfers to it credit from capital reduction, cancellation of share premium as of 31 December 2005, and balance of contributed surplus as of 31 December 2005 immediately after the Capital Re-organisation of the Company became effective on 18 December 2006. The general reserve shall be applied to set off against the accumulated losses of the Company and may be applied in such manner as is permitted by, and subject always to, the laws of Cayman Islands and the articles of association of the Company.

(v) Distributability of reserves

At 31 December 2009, the Company has reserves available for distribution to its owners in the amount of HK$226,754,000 (2008: HK$230,321,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Environmental Operations

The environmental operations represent diversification strategies undertook by the Group since 2007 and currently environmental operations become one of the key profit drivers of the Group. The three major environmental entities of the Group – Zhenjiang New Universe, Yancheng New Universe and Taizhou New Universe principally engages in environmental treatment and disposal of regulated medical waste, and general and hazardous industrial waste in three major cities of Jiangsu Province, China. They service various clinics, hospitals, and major industrial enterprises in the cities where they are situated. The companies have their own pyrolyzing incinerators, and Zhenjiang New Universe also has its specialised filtration facilities to handle industrial liquid waste and operates a landfill to handle general industrial solid waste.

Although the environmental entities of the Group were affected by the adverse situation of overall downsizing output of their surrounding manufacturing industries during the first two quarters of 2009, the total revenue from environmental operations increased by 2.4% to HK$39,094,000 for the year ended 31 December 2009 (2008: HK$38,184,000).

Manufacturing Operations

The manufacturing operations represent the origin of the Group's business before the Group's diversification plan has been carried out. Suzhou New Universe is the production and outlet base of the Group's injection molds and plastic products in Mainland China. Suzhou New Universe is a mold and plastic manufacturer situated in the Yangtze River Delta, China, which owns its state-of-the-art digital control high speed molding machines and equipped with full range of conventional processing machines, and a variety of plastics injection machines. From conceptual mold prototype to final plastics product finishing, Suzhou New Universe provides complete value chain to satisfy variety of customers' needs.

To ensure a stable and reliable supply of plastic materials for Suzhou New Universe's production, the Group entered into a framework supply agreement with a related company, China (HK) Chemical & Plastics Co. Limited ("China (HK) Chemical") on 26 February 2009 ("Supply Contract"). Pursuant to the Supply Contract, Suzhou New Universe will purchase and China (HK) Chemical will supply plastic materials for three years ending 31 December 2011 on favorable terms that would not be available to Suzhou New Universe from other independent suppliers.

Under the impact of slim market demand, total revenue of mold sales decreased by 40.1% to HK$16,568,000 in 2009 (2008: HK$27,670,000), total sales of plastic products increased by 32.3% to HK$12,355,000 in 2009 (2008: HK$9,340,000), and total revenue of plastic materials trading amounted to HK$18,776,000 in 2009 (2008: Nil). The Directors believe the manufacturing operations performance will turn around in the future.

Plastics Dyeing Operations
The Group 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 engaged in plastic materials dyeing in Mainland China, which are considered to be the Group's strategic investments to enhance customer networks for both the manufacturing and environmental operations. For accounting purposes, the Company's equity interest in Qingdao Huamei is treated as an investment in an associate while the investments in Suzhou New Huamei and Danyang New Huamei are treated as available-for-sale equity investments.

Notwithstanding the fact that plastics dyeing operations were under similar impact of declining market demand during the year of 2009, the net profit margins of Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei were 3.6%, 3.6% and 4.0% respectively in 2009 (2008: 3.2%, 7.8% and 4.6% respectively). According to the valuation report dated 22 March 2010 issued by an independent professional valuer, BMI Appraisals Limited ("BMI"), the total market value attributable to the Group was in aggregate of HK$53,900,000 for the available-for-sale equity investments in Suzhou New Huamei and Danyang New Huamei as at 31 December 2009 (2008: HK$48,900,000).

Eco-plating Specialised Zone
The Group owns 38% equity interests in New Sinotech Investments Limited ("New Sinotech") which in turn holds 100% direct equity interest in Fair Time International Limited ("Fair Time") and 100% indirect equity interest in Zhenjiang Sinotech Eco-electroplating Development Limited ("Zhenjiang Sinotech") (collectively referred to as the "New Sinotech Group"). Zhenjiang Sinotech principally engages in the development and operation of an eco-plating specialised zone with a total area of 183,521 square metres ("Eco-plating Specialised Zone"). Zhenjiang Sinotech provides management services and environmental facilities to clients entering the zone for their plating business. Zhenjiang Sinotech also provides environmental treatment of electroplating sewage and sludge, and recycling of metallic substances and resources using centralised discharge processing system which services the whole eco-plating specialised zone.

The Company's controlling shareholder, NUEL, owns 53% direct controlling equity interest in New Sinotech Group. With the support of project term loans granted by major banks in Hong Kong, and guaranteed by the Company's chairman, Mr. XI Yu and a related company, New Universe Holdings Limited ("NUHL"), the first phase of the construction of the Eco-plating Specialised Zone was completed in 2009, and approvals have been obtained from environmental authorities for carrying out trial operations within the zone. Various enterprises have entered the zone for plating business, and the specialised plating sewage discharge system is operating on a preliminary trial basis.

The Group shared net profits from the New Sinotech Group amounted to HK$229,000 in 2009 (2008: net losses of HK$153,000).

Disposal of Zhenjiang Dock Project

The Group discontinued the operations in relation to the co-operation between the Company and China parties (therein referred to as the "China Parties", comprising The District Government of Jingkou, Zhenjiang and the State-owned Gongqingtuan Farm in Jiangsu Province) for the investment and construction of dock infrastructure and the development of warehouses and depot facilities in Xinminzhou, Jingkou District, Zhenjiang City, Jiangsu, China ("Zhenjiang Dock Project") following the entering into of two sale and purchase agreements ("Dock Disposal Agreements") on 3 November 2008. The Dock Disposal Agreements were signed between the Group and an independent buyer for consideration of RMB84,951,300 (approximately HK$96,675,000) to dispose of the Group's entire equity interests in Zhenjiang Port Company and Zhenjiang Warehouses Company ("Disposal of Zhenjiang Dock WFOEs"). Zhenjiang Port Company and Zhenjiang Warehouses Company are collectively referred to as the Zhenjiang Dock WFOEs.

On 27 April 2009, the Group entered into a supplemental sale and purchase agreement with a party nominated by the buyer ("Purchaser", namely, Jiangsu Golden Coast Investment Construction Development Co., Limited江蘇金海岸投資建設發展有限公司) as witnessed by a representative of the China Parties ("First Supplemental Dock Disposal Agreement").

Pursuant to the First Supplemental Dock Disposal Agreement, the payment terms were re-scheduled as (i) a refundable deposit of RMB3,500,000 (approximately HK$3,983,000) paid by the Purchaser on 6 May 2009, and (ii) the total consideration for the Disposal of Zhenjiang Dock WFOEs was adjusted to RMB85,849,100 (approximately HK$97,696,000). The consideration would be settled by the Purchaser as to (i) RMB17,049,100 (approximately HK$19,402,000) after the termination of the approval certificates of Zhenjiang Dock WFOEs, (ii) RMB20,000,000 (approximately HK$22,760,000) after the change of business licenses of the Zhenjiang Dock WFOEs in favour of the Purchaser, and (iii) RMB48,800,000 (approximately HK$55,534,000 but before offsetting any deposit to be refundable) after the Purchaser obtains legal title to the land for the Zhenjiang Dock Project. Any outstanding payment in respect of any consideration due is subject to interest at a rate of 3.6% per annum payable by the Purchaser.

On 10 September 2009, the Group entered into a second supplemental sale and purchase agreement with the Purchaser as witnessed by a representative of the China Parties to confirm the resulting shareholding structure of the Purchaser's interest in the Zhenjiang Dock WFOEs ("Second Supplemental Dock Disposal Agreement"). Pursuant to the Second Supplemental Dock Disposal Agreement, the Purchaser and its related party agreed to assume the obligations jointly for due settlement of the consideration. In addition, the China Parties issued a guarantee letter to the Group to ensure payment by the Purchaser of the third instalment of RMB48,800,000 (approximately HK$55,534,000) (before the deposit of RMB3,500,000 is to be offset).

The Dock Disposal Agreements, the First Supplemental Dock Disposal Agreement and the Second Supplemental Dock Disposal Agreement in relation to the Disposal of Zhenjiang Dock WFOEs are collectively referred therein to as the "Zhenjiang Dock Disposal Agreements".

With the approval of PRC governmental authorities, the Purchaser has settled the first and second instalments of consideration in the aggregate amount of RMB37,049,100 (approximately HK$42,162,000) with: (i) RMB5,557,365 (approximately HK$6,324,000) on 29 December 2009, and (ii) RMB31,491,735 (approximately HK$35,838,000) on 21 January 2010.

The Disposal of Zhenjiang Dock WFOEs was completed and the control of the Zhenjiang Dock WFOEs was passed on 28 October 2009.

NUEL, being a controlling shareholder interested in 73.91% of the issued share capital of the Company, has approved the Disposal of Zhenjiang Dock WFOEs by a written resolution dated 3 November 2008.

Details of the disposal are set out in the announcements of the Company dated 5 November 2008, 4 December 2008, 7 May 2009, 11 September 2009, 31 December 2009 and 21 January 2010 respectively and the circular of the Company dated 18 November 2008.

FINANCIAL REVIEW

Turnover

Total turnover of the Group for the year ended 31 December 2009 was HK$86,793,000 representing an increase of 15.4% from HK$75,194,000 in 2008. Total revenue from environmental operations increased by 2.4% to HK$39,094,000 for the year ended 31 December 2009 compared to HK$38,184,000 in 2008. Total revenue from sales of mold products decreased by 40.1% to HK$16,568,000 for the year ended 31 December 2009 compared to HK$27,670,000 in 2008. Total revenue from sales of plastic products increased by 32.3% to HK$12,355,000 for the year ended 31 December 2009 compared to HK$9,340,000 in 2008. Total sales contributed by the new plastic materials trading segment was HK$18,776,000 in 2009.

Market momentum of both environmental operations and manufacturing operations has been picked up again since the third quarter of 2009, which resulted in an overall improvement of total revenue from environmental operations and sales of plastic materials and products in 2009.

Gross profit

Gross profit of the Group for the year ended 31 December 2009 was HK$27,150,000 representing a decrease of 5.1% from HK$28,600,000 in 2008. The overall gross profit margin of the Group was 31.3% in 2009 compared to 38.0% in 2008. The average gross profit margin of the Group's environmental operations was 61.6% in 2009 (2008: 57.7%). The average gross profit margin of the Group's manufacturing operations was 6.4% in 2009 (2008: 17.7%), and the average gross profit margins of mold sales, plastic product sales and plastic materials sales were 5.0%, 7.7% and 6.8% in 2009 respectively.

Other revenue

Other revenue of Group decreased by 24.9% to HK$3,370,000 in 2009 compared to HK$4,487,000 in 2008. The net decrease was mainly attributable to (i) a HK$202,000 decrease of dividend income from available-for-sale equity investments, and (ii) a HK$949,000 decrease of scrap sales.

Other net income

Other income of the Group increase to HK$489,000 in 2009 compared to HK$11,000 in 2008. The net increase was mainly attributable to increase in exchange gain in the current year.

Distribution and selling expenses

Distribution and selling expenses of the Group decreased by 11.1% to HK$5,098,000 in 2009 compared to HK$5,737,000 in 2008. The net decrease was mainly attributable to (i) a HK$368,000 decrease of commission paid external sales agency, and (ii) a HK$378,000 decrease of freight and transportation charges in the current year.

Administrative expenses

Administrative expenses of the Group increased by 20.6% to HK$14,323,000 in 2009 compared to HK$11,872,000 in 2008. The net increase was mainly attributable to a HK$2,255,000 increase of staff salaries and allowance in the current year.

Other expenses

Other expenses of the Group decreased by 40.2% to HK$3,123,000 in 2009 compared to HK$5,226,000 in 2008. The net decrease was mainly attributable to a HK$1,130,000 decrease of impairment to inventories.

Finance costs

Finance costs of the Group increased by 64.6% to HK$2,798,000 in 2009 compared to HK$1,700,000 in 2008. The net increase was mainly attributable to (i) a HK$1,368,000 increase of interest imputed on the promissory notes in 2009, while (ii) a HK$334,000 decrease of borrowing interest in the current year.

Share of profits of associates
Share of profits of associates increased by 41.3% to HK$1,303,000 in 2009 compared to HK$922,000 in 2008. The net increase was attributable to (i) a HK$229,000 increase of net profit shared from New Sinotech Group, and (ii) a HK$1,074,000 increase of net profit shared from Qingdao Huamei in the current year.

Income tax
The Group recorded an income tax expense of HK$1,210,000 in 2009 compared to Nil in 2008. Income tax expenses amounted to HK$1,491,000, which was offset by the deferred tax income of HK$281,000 in the current year.

Profit attributable to owners of the Company
Profit for the year of the Group amounted to HK$20,454,000 in 2009 compared to HK$10,450,000 in 2008, and profit attributable to owners of the Company amounted to HK$18,355,000 in 2009 compared to HK$8,381,000 in 2008.

Increase in profit for the year was mainly attributable to the record of net gain on disposal of the Zhenjiang Dock WFOEs amounted to HK$15,382,000 in 2009.

Segment results
The revenue distribution by environmental services segment, molds segment, plastic products segment, plastic materials trading segment and plastic materials dyeing segment was 44.3%, 18.9%, 14.0%, 20.8% and 2.0% respectively in 2009 compared to 48.5%, 37.0%, 12.0%, Nil and 2.5% respectively in 2008.

Liquidity and financial resources
The Group generally financed its operations activities with internally generated cash flows, banking facilities, and loans and advances from NUEL and China (HK) Chemical. The Group remained in a healthy financial position with total equity of HK$299,371,000 as at 31 December 2009 compared to HK$283,679,000 as at 31 December 2008, and with total assets amounted to HK$367,564,000 as at 31 December 2009 compared to HK$346,133,000 as at 31 December 2008.

The Group had cash and bank balances as follows:

	31 December 2009 *HK$'000*	31 December 2008 *HK$'000*
Cash and bank balances		
– Continuing operations	**42,823**	23,128
– Discontinued operation	**–**	23,258
	42,823	46,386

The Group had available unused standby general banking facilities as follows.

	31 December 2009 *HK$'000*	31 December 2008 *HK$'000*
Trust receipts financing facilities	**10,000**	10,000

The Group had outstanding interest bearing borrowings as follows:

	31 December 2009 *HK$'000*	31 December 2008 *HK$'000*
Bank borrowings – secured	**5,121**	10,170
Obligations under finance lease – secured	**–**	4
Loan from China (HK) Chemical – unsecured	**3,042**	–
	8,163	10,174

The Group had promissory notes with total par value amounted to HK$26,920,000 and with carrying fair value as follows:

	31 December 2009 *HK$'000*	31 December 2008 *HK$'000*
Promissory notes – unsecured	**22,185**	19,956

The Group had outstanding non-interest bearing borrowings due to the Group's related companies as follows:

	31 December 2009 *HK$'000*	31 December 2008 *HK$'000*
NUEL – unsecured	**–**	2,416
Beijing New Universe Mirai Environmental Engineering Company Limited – unsecured	**19**	19
	19	2,435

Capital structure

There was no change to the capital structure of the Group as at 31 December 2009 and compared with that as at 31 December 2008.

Material acquisitions and disposals of subsidiaries and affiliated companies
Pursuant to the performance of parties to Zhenjiang Dock Disposal Agreements, the Group recorded a gain on disposal of subsidiaries of HK$15,382,000 (net of taxes and expenses) in 2009 with details set out in notes 15 and 16.

Except for the aforementioned, 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 2009.

Investments held and their performance
In 2009, the boards of Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei have declared dividends with the amounts of HK$1,262,000, HK$560,000 and HK$972,000 (before taxes) respectively having been distributed to the Group (2008: HK$1,624,000, HK$400,000 and HK$648,000 respectively).

Based on the valuation report dated 22 March 2010 issued by BMI as to the market value attributable to the Group in respect of the available-for-sale equity investments in Suzhou New Huamei and Danyang New Huamei were HK$37,300,000 and HK$16,600,000 respectively as at 31 December 2009 (2008: HK$39,000,000 and HK$9,900,000 respectively).

The Group holds 28.67% equity interest in Qingdao Huamei as an associate. For the year ended 31 December 2009, the Group shared net profit of the Qingdao Huamei amounted to HK$1,074,000 (2008: HK$1,075,000).

The Group holds 38% equity interests in New Sinotech Group as associates. For the year ended 31 December 2009, the Group shared net profit of the New Sinotech Group amounted to HK$229,000 (2008: losses of HK$153,000).

Charges on the Group's assets
As at 31 December 2009, the Group pledged the land use rights together with its property, plant and equipment thereon owned by Suzhou New Universe with a carrying amount of HK$2,335,000 (2008: HK$2,373,000) and HK$9,228,000 (2008: HK$9,716,000) to a bank in China to secure bank loans of RMB4,500,000 (approximately HK$5,121,000) granted to the Suzhou New Universe (2008: RMB9,000,000 or approximately HK$10,170,000).

Capital expenditure
During the year ended 31 December 2009, the Group had capital expenditure to increase property, plant and equipment for its manufacturing operations amounted to HK$1,251,000 (2008: HK$2,084,000), and had capital expenditure to increase property, plant and equipment for its environmental operations amounted to HK$2,494,000 (2008: HK$10,458,000).

Commitments

As at 31 December 2009, the Group had the following commitments:

(i) Capital commitments

The Group had capital commitments not provided for in the financial statements as follows:

	31 December 2009	31 December 2008
	HK$'000	*HK$'000*
Continuing operations		
Contracted for		
– Acquisition of property, plant and machinery	**23**	2,079
Authorised but not contracted for		
– Acquisition of property, plant and machinery	**7,760**	–
– Financial commitment to New Sinotech Group	**35,386**	35,568
Discontinued operation		
Contracted for		
– Zhenjiang Dock Project	**–**	153,783
Authorised but not contracted for		
– Zhenjiang Dock Project	**–**	63,761

(ii) Operating lease commitments

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	31 December 2009	31 December 2008
	HK$'000	*HK$'000*
Within one year	**187**	197
In the second to fifth years, inclusive	**366**	365
After five years	**80**	158
	633	720

Gearing ratio

The Group has a gearing ratio of 6.0% as at 31 December 2009 compared to 3.9% as at 31 December 2008. The ratio is calculated by net borrowings divided by total equity, and for which the net borrowings represent the total liabilities (which including current and non-current liabilities but excluding any deferred tax liabilities) net of cash and cash equivalents of the Group.

Exposure to exchange rate fluctuations

As most of the Group's monetary assets and liabilities were dominated in Renminbi, Hong Kong dollars, and US dollars, the exchange risks of the Group were considered to be minimal. During the year ended 31 December 2009, no related hedging has been arranged by the Group.

Contingent liabilities

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

Employee information

As at 31 December 2009, the Group had 302 (2008: 312) full-time employees of which 13 (2008: 12) were based in Hong Kong, and 289 (2008: 300) in Mainland China. Staff costs, including directors' remuneration and amount capitalised as inventories was HK$19,153,000 for the year ended 31 December 2009 (2008: HK$16,362,000). Employees and directors were paid in commensurate with the prevailing market standards, with other fringe benefits such as bonus, medical insurance, mandatory provident fund, share options and necessary training.

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

As at 31 December 2009, the interests and short positions of the directors and chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or which were required to be entered 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 Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by the directors, were as follows:

The Company

Long positions in ordinary shares

	Number of issued ordinary shares of HK$0.01 each				
Name of director	Personal/ beneficiary	Interest of children or spouse	Interest of controlled corporation	Number of shares held	% of total shares in issue
Mr. 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 NUEL, representing 83.66% of the issued share capital of NUEL, which in turn beneficially interested in 1,349,649,115 shares of the Company, representing approximately 73.91% of the issued share capital of the Company.

Associated corporation

Long positions in ordinary shares in NUEL

	Number of issued ordinary shares of US$1.00 each				
Name of director	Personal/ beneficiary	Interest of children or spouse	Interest of controlled corporation	Number of shares held	% of total shares in issue
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 2009, none of the directors and chief executives had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed herein, 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.

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

So far as is known to any director or chief executive of the Company, as at 31 December 2009, persons or corporations who have interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in ordinary shares of the Company

	Number of issued ordinary shares of HK$0.01 each				
Name of shareholder	Beneficial owner	Family interests	Interest of controlled corporation	Number of share held	% of total shares in issue
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 2009, none of the directors were aware of any other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is interested in 10% 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 maintained by the Company under Section 336 of the SFO.

CONNECTED TRANSACTIONS

On 26 February 2009, the Supply Contract was entered into between Suzhou New Universe and China (HK) Chemical (a 97% owned subsidiary of NUHL) in relation to the supply of plastic materials to Suzhou New Universe by China (HK) Chemical, of which the term commenced from the date of Supply Contract and up to 31 December 2011 and might be renewed for three years by agreement of the parties to the Supply Contract. 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 common directors of Suzhou New Universe and NUHL. By virtue of the common directors who represent all members of the board of directors of China (HK) Chemical and through their directorship in NUHL control the board of directors of China (HK) Chemical, China (HK) Chemical is hence a connected person (as defined in the GEM Listing Rules) of the Company.

The total amounts of transactions in relation to the purchases of plastic materials from China (HK) Chemical by Suzhou New Universe pursuant to the Supply Contract ("Transactions") were initially estimated at an annual cap amount of US$1,280,000 (approximately HK$9,933,000) for each of the three financial years ending 31 December 2011 ("Annual Caps"). Transactions therefore constitute continuing connected transactions of the Company and are subject to the reporting and announcement requirements under the GEM Listing Rules.

Pursuant to an ordinary resolution duly passed under poll voting by the independent shareholders of the Company at an extraordinary general meeting held on 18 September 2009, the Company was approved to procure Suzhou New Universe to purchase plastic materials from China (HK) Chemical with the revised Annual Caps in the amounts of US$12,800,000 (approximately HK$99,328,000), US$14,080,000 (approximately HK$109,261,000) and US$15,488,000 (approximately HK$120,187,000) for the three financial years ending 31 December 2011 respectively ("Revised Annual Caps").

Pursuant to the Supply Contract and Revised Annual Caps, during the year ended 31 December 2009, Suzhou New Universe ordered plastic materials of 1,482 metric tons in an aggregate amount of HK$18,050,000 from China (HK) Chemical; and accordingly, China (HK) Chemical delivered 1,426 metric tons of plastic materials in an aggregate amount of HK$17,024,000 to Suzhou New Universe ("Continuing Connected Transactions").

Pursuant to Rule 20.38 of the GEM Listing Rules, the Board of directors engaged the auditor of the Company to perform certain agreed upon procedures in respect of the Continuing Connected Transactions of the Group. The auditor has reported the factual findings on these procedures to the Board of directors. The independent non-executive directors have reviewed the Continuing Connected Transactions and the report of the auditor and have confirmed that the transactions have been entered into by the Company in the ordinary course of its business, on terms no less favourable than terms available from independent third parties, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Details of the Supply Contract and Revised Annual Caps are set out in the announcements of the Company dated 27 February 2009, 14 August 2009 and 18 September 2009, and the circular of the Company dated 31 August 2009.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2009.

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

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

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 December 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 Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited ("GEM Listing Rules") except for the following deviations:

(i) 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 with effect from 1 February 2007. The Directors considered the deviation did not significantly affect the Group's operations. 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.

(ii) Code Provision E.1.2 of the CG Code requires that, amongst the others, the chairman of the Board should attend annual general meeting of the Company. The Company's chairman, Mr. XI Yu did not attend the Company's annual general meeting held on 30 April 2009 owing to his trip out of Hong Kong for the business of the Group. Failing his presence, Mr. XI Yu delegated the executive director of the Company, Ms. CHEUNG Siu Ling to chair the meeting and to arrange other directors, including the chairman of the audit committee, be available to answer any questions at the annual general meeting.

SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2009, the Company has applied the principals of the required standard of dealings set out in Rules 5.48 to 5.67 if the GEM Listing Rules ("Required Standard of Dealings").

Having made specific enquiry of all Directors of the Company, the Directors confirmed that they have complied with or they were not aware of any non-compliance with the Required Standard of Dealings during the year ended 31 December 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the non-executive director and the independent non-executive directors of the Company has entered into appointment contract with the Company for a term of two years and to be renewed from time to time, which is subject to termination by either party giving not less than three month's prior written notice. The latest renewable contracts commenced from 1 February 2009.

The Company has received annual written confirmation from each of the three independent non-executive directors of the Company in respect of the factors set out in Rule 5.09 of GEM Listing Rules, and considers the independent non-executive directors, Mr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred are independent.

Mr. CHAN Yan Cheong has served as an independent non-executive director of the Company for more than 9 years since 17 November 1999, whose further appointment as the Company's independent non-executive director shall be subject to a separate resolution to be approved by the Shareholders in the forthcoming annual general meeting of the Company. The Board, based on the annual written confirmation of independence and the undertaking of continuing to be independent given by Mr. CHAN Yan Cheong, believes that Mr. CHAN Yan Cheong as a chair professor in the Department of Electronic Engineering of City University of Hong Kong will bring in strong expertise, contributing a more impartial view and making independent judgement on all issues to be discussed at the Board meetings.

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 2009 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 2009 has been agreed with and reviewed by 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, 22 March 2010

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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