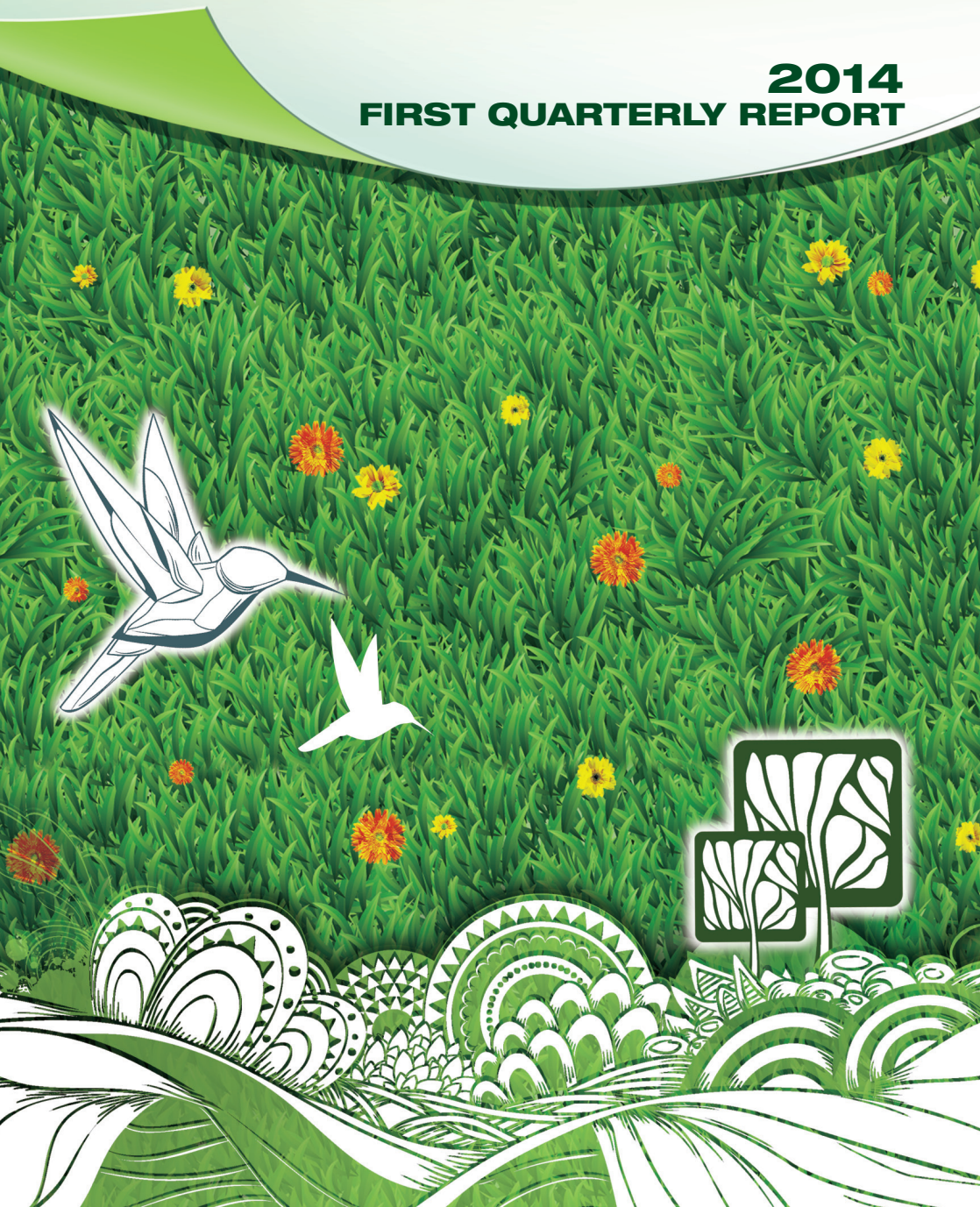


NEW UNIVERSE INTERNATIONAL GROUP LIMITED

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

2014 FIRST QUARTERLY REPORT



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.

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This report, 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, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CORPORATE INFORMATION

PLACE OF INCORPORATION

Cayman Islands

BOARD OF DIRECTORS

Executive Directors

Mr. XI Yu (*Chairman*)¹

Mr. SONG Yu Qing

(*CEO and Vice-chairman*)¹

Mr. HON Wa Fai¹

Ms. CHEUNG Siu Ling¹

Non-Executive Director

Mr. SUEN Ki

Independent Non-Executive Directors

Dr. CHAN Yan Cheong^{2,3,4,5}

Mr. YUEN Kim Hung, Michael^{2,3,4,6}

Mr. HO Yau Hong, Alfred^{2,3,4,7}

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

AUTHORISED REPRESENTATIVES

Mr. XI Yu

Mr. HON Wa Fai

COMPLIANCE OFFICER

Mr. XI Yu

COMPANY SECRETARY

Mr. HON Wa Fai

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 2110-2112

Telford House

16 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICES

Principal

Codan Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Hong Kong Branch

Tricor Tengis Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

LEGAL ADVISERS

As to Hong Kong Laws

Troutman Sanders

As to PRC Laws

Beijing Sinobridge PRC Lawyers

INDEPENDENT AUDITOR

Crowe Horwath (HK) CPA Limited

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking

Corporation Limited

Hang Seng Bank Limited

LISTING INFORMATION

Shares

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

Stock Code

8068

Board Lot

20,000 shares

WEBSITE

www.nuigl.com

FINANCIAL HIGHLIGHTS

- Total revenue of continuing operations for the three months ended 31 March 2014 increased by 59.8% to HK\$60,588,000 compared to HK\$37,923,000 for the corresponding period in 2013.
- Profit attributable to owners of the Company from continuing operations for the three months ended 31 March 2014 increased by 140% to HK\$10,818,000 from HK\$4,508,000 for the corresponding period in 2013.
- Total earnings per share attributable to owners of the Company for the three months ended 31 March 2014 decreased to HK cents 0.41 (attributable to continuing operations) from HK cents 0.87 (of which HK cents 0.17 is attributable to continuing operations and HK cents 0.70 is attributable to discontinued operations) for the corresponding period in 2013.
- Equity attributable to owners of the Company was HK\$555,183,000 at 31 March 2014 versus HK\$549,706,000 at 31 December 2013.
- Cash and cash equivalents of the Group amounted to HK\$93,111,000 at 31 March 2014 compared to HK\$109,827,000 at 31 December 2013.
- The Board resolved not to declare a dividend for the three months ended 31 March 2014.

2014 FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of New Universe International Group Limited (the “Company”) hereby announces the unaudited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 31 March 2014, together with the unaudited comparative figures for the corresponding period in 2013.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Three months ended 31 March	
		2014 HK\$'000	2013 HK\$'000
Continuing operations			
Revenue	4	60,588	37,923
Cost of sales		(31,060)	(19,131)
Gross profit		29,528	18,792
Other revenue	5	65	55
Other net income	6	6,453	143
Distribution and selling expenses		(3,732)	(1,870)
Administrative expenses		(9,610)	(6,121)
Other operating expenses		(2,204)	(1,484)
Operating profit		20,500	9,515
Finance income		393	312
Finance costs		(684)	(1,026)
Finance costs – net	7	(291)	(714)
Share of loss of associates		(1,265)	(206)
Profit before taxation	8	18,944	8,595
Income tax	9	(5,506)	(2,730)
Profit for the period from continuing operations		13,438	5,865
Discontinued operations			
Profit for the period from discontinued operations	10	–	18,546
Profit for the period		13,438	24,411
Attributable to:			
Owners of the Company		10,818	23,054
Non-controlling interests		2,620	1,357
		13,438	24,411
Profit attributable to owners of the Company			
arises from:			
Continuing operations		10,818	4,508
Discontinued operations		–	18,546
		10,818	23,054

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended	
		31 March	
	Note	2014	2013
		HK cents	HK cents
Earnings per share from continuing and discontinued operations attributable to owners of the Company during the period: (expressed in HK cents per share)			
Basic and diluted earnings per share	12		
Continuing operations		0.41	0.17
Discontinued operations		–	0.70
<hr/>			
Continuing and discontinued operations		0.41	0.87
<hr/>			

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2014	2013
	HK\$'000	HK\$'000
Profit for the period	13,438	24,411
Other comprehensive income:		
<i>Items that may be subsequently reclassified to profit and loss</i>		
Exchange differences		
– on translation of financial statements of overseas subsidiaries	(4,540)	1,958
– on translation of financial statements of overseas associates	(119)	178
Fair value changes on available-for-sale equity investments	(1,400)	1,000
Tax effect relating to changes in fair value of available-for-sale equity investments	140	(100)
Other comprehensive income for the period, net of tax	(5,919)	3,036
Total comprehensive income for the period	7,519	27,447
Attributable to:		
Owners of the Company	5,477	25,980
Non-controlling interests	2,042	1,467
Total comprehensive income for the period	7,519	27,447
Total comprehensive income attributable to owners of the Company arises from:		
Continuing operations	5,477	7,225
Discontinued operations	–	18,755
	5,477	25,980

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Issued share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Investment revaluation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Retained profits HK\$'000			
At 1 January 2013	26,557	305,084	28,231	3,790	4,185	12,156	108,620	488,623	22,483	511,106
Changes in equity for 3 months ended 31 March 2013:										
Profit for the period	-	-	-	-	-	-	23,054	23,054	1,357	24,411
Other comprehensive income	-	-	2,026	900	-	-	-	2,926	110	3,036
Total comprehensive income for the period	-	-	2,026	900	-	-	23,054	25,980	1,467	27,447
At 31 March 2013	26,557	305,084	30,257	4,690	4,185	12,156	131,674	514,603	23,950	538,553
Changes in equity for 9 months ended 31 December 2013:										
Profit for the period	-	-	-	-	-	-	32,229	32,229	6,168	38,397
Other comprehensive income	-	-	11,048	360	-	-	-	11,408	1,188	12,596
Total comprehensive income for the period	-	-	11,048	360	-	-	32,229	43,637	7,356	50,993
Disposal of interest in a subsidiary	-	-	-	-	610	-	-	610	10,590	11,200
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	23,725	23,725
Transfer to statutory reserve	-	-	-	-	-	4,562	(3,880)	682	(682)	-
Dividend relating to 2012	-	-	-	-	-	-	(9,826)	(9,826)	-	(9,826)
Dividend paid to non-controlling shareholders relating to 2012	-	-	-	-	-	-	-	-	(6,388)	(6,388)
At 31 December 2013 and 1 January 2014	26,557	305,084	41,305	5,050	4,795	16,718	150,197	549,706	58,551	608,257
Changes in equity for 3 months ended 31 March 2014:										
Profit for the period	-	-	-	-	-	-	10,818	10,818	2,620	13,438
Other comprehensive income	-	-	(4,081)	(1,260)	-	-	-	(5,341)	(578)	(5,919)
Total comprehensive income for the period	-	-	(4,081)	(1,260)	-	-	10,818	5,477	2,042	7,519
At 31 March 2014	26,557	305,084	37,224	3,790	4,795	16,718	161,015	555,183	60,593	615,776

NOTES:

1. General Information

- (a) New Universe International Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The immediate and ultimate holding company of the Company is New Universe Enterprises Limited (“NUEL”), which is a limited liability company incorporated in the British Virgin Islands.
- (c) These unaudited condensed financial information are presented in Hong Kong dollars (“HK\$”) that is also the functional currency of the Company while the functional currency of the subsidiaries in the Mainland of The People’s Republic of China (“PRC”) is Renminbi (“RMB”). As the Company’s shares are listed in Hong Kong, the Directors of the Company consider that it is more appropriate to present the financial statements in HK\$, that most of its investors are located in Hong Kong.
- (d) The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as follows:
 - (i) environmental treatment of industrial and medical wastes;
 - (ii) environmental plating sewage treatment services and provision of facilities in an eco-plating specialised zone; and
 - (iii) investments in plastic materials dyeing operations.

2. Basis of preparation

These unaudited condensed financial information for the three months ended 31 March 2014 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. These unaudited condensed financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2013, which have been prepared in accordance with the applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

These unaudited condensed financial information of the Company for the three months ended 31 March 2014 had not been audited by the independent auditors of the Company, but had been reviewed by the audit committee of the Company that did not constitute an audit.

3. Principal accounting policies

These unaudited condensed financial information were prepared on the historical cost basis except for certain available-for-sale equity investments, which are stated at fair values. The accounting policies used in these condensed financial information are consistent with those used in the audited financial statements of the Company for the year ended 31 December 2013.

4. Revenue

	Three months ended	
	31 March	
	2014	2013
	HK\$'000	HK\$'000
Continuing operations		
Environmental waste treatment services	43,392	24,755
Industrial sewage treatment services	17,196	13,168
	<hr/>	<hr/>
	60,588	37,923
	<hr/>	<hr/>

5. Other revenue

	Three months ended	
	31 March	
	2014	2013
	HK\$'000	HK\$'000
Continuing operations		
Scrap sales	65	55
	<hr/>	<hr/>
	65	55
	<hr/>	<hr/>

6. Other net income

	Three months ended	
	31 March	
	2014	2013
	HK\$'000	HK\$'000
Continuing operations		
Reversal of over accrued expenses upon de-registration of subsidiaries (note)	3,636	–
Government grant	107	67
Government environmental subsidies	2,710	–
Sundry	–	76
	6,453	143

Note:

Legal and professional fees previously accrued by the investment holding subsidiaries were reversed before they were being de-registered.

7. Finance costs

	Three months ended	
	31 March	
	2014	2013
	HK\$'000	HK\$'000
Continuing operations		
Finance income from		
Interest income on short-term bank deposits	407	359
Net foreign exchange loss on financing activities	(14)	(47)
	393	312
Interest expenses on:		
Bank borrowings wholly repayable within five years	410	863
Borrowings from ultimate holding company wholly repayable within five years	–	163
Other borrowings wholly repayable within five years	274	–
	684	1,026
	291	714

8. Profit before taxation

Profit before taxation was arrived at after charging:

	Three months ended 31 March	
	2014 HK\$'000	2013 HK\$'000
Continuing operations		
Depreciation for property, plant and equipment	6,778	4,843
Amortisation of land lease prepayments	642	602
Operating lease charges minimum lease payments		
– land and buildings in Hong Kong	84	72
– landfill in PRC	7	7
Cost of sales (note)	31,060	19,131

Note:

Included in cost of sales were raw materials consumed of HK\$3,761,000 (2013: HK\$2,113,000) and depreciation and amortisation of HK\$5,936,000 (2013: HK\$4,218,000), of which depreciation and amortisation were included in the respective total amounts disclosed above.

9. Income tax

(a) Income tax in the unaudited condensed consolidated income statement represents:

	Three months ended 31 March	
	2014 HK\$'000	2013 HK\$'000
Continuing operations		
Current tax		
– Hong Kong Profits Tax	–	–
– PRC Income Tax	5,642	2,866
Over-provision in respect of priors years	–	–
	5,642	2,866
Deferred tax	(136)	(136)
	5,506	2,730

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the periods. No provision for Hong Kong Profits Tax has been made, as the Group had no assessable profits arising in Hong Kong for the periods.

The PRC subsidiaries of the Group are subject to the PRC enterprise income tax rate of 25% (2013: 25%).

- (b) Reconciliation between income tax and accounting profit at the applicable rates:

	Three months ended	
	31 March	
	2014	2013
	HK\$'000	HK\$'000
Continuing operations		
Profit before taxation	18,944	8,595
Notional tax on profit before taxation, calculated at the rates applicable in the tax jurisdiction concerned	4,694	2,364
Tax effect of expenses not deductible for tax purpose	67	91
Tax effect of income not taxable for tax purpose	(159)	(333)
Tax effect of tax losses not recognised	1,040	491
Tax effect of tax losses utilised	–	253
Tax effect of temporary differences recognised	(136)	(136)
Income tax for the period	5,506	2,730

10. Discontinued operations

On 4 January 2013, the Group's subsidiary, Suzhou New Universe Smartech Tooling and Plastics Limited ("Suzhou New Universe") completed the disposal of its business to an independent third party that comprised of the manufacture of molds and plastic products and trading of plastic materials by disposing the assets and liabilities attributable to the discontinued operations for a cash consideration of RMB52,000,000 (approximately HK\$64,132,000), which resulted in a gain of HK\$18,685,000 (net of expenses) during the year ended 31 December 2013. The Suzhou Disposal Agreement was completed on 4 January 2013 and all consideration was received by the Group on or before 31 December 2013.

11. Profit attributable to owners of the Company

The profit attributable to owners of the Company included a loss of HK\$795,000 for the three months ended 31 March 2014 (2013: HK\$372,000) which was dealt with in the financial statements of the Company.

12. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the profit attributable to owners of the Company of HK\$10,818,000 for the three months ended 31 March 2014 (2013: HK\$23,054,000) and the weighted average number of 2,655,697,018 (2013: 2,655,697,018) ordinary shares of the Company in issue during the period.

(a) Profit attributable to owners of the Company:

	Three months ended	
	31 March	
	2014	2013
	HK\$'000	HK\$'000
Profit for the period from continuing operations	10,818	4,508
Profit for the period from discontinued operations	–	18,546
	10,818	23,054

(b) Weighted average number of ordinary shares

	Three months ended	
	31 March	
	2014	2013
Issued ordinary shares at 1 January and 31 March	2,655,697,018	2,655,697,018
Weighted average number of ordinary shares in issue	2,655,697,018	2,655,697,018

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

13. Dividend

The Company's Directors resolved not to declare a dividend for the three months ended 31 March 2014 (2013: Nil).

14. Movement of reserves

	Share premium	Translation reserve	Investment revaluation reserve	Capital reserve	Statutory reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2013	305,084	28,231	3,790	4,185	12,156	108,620	462,066
Changes in equity for							
3 months ended 31 March 2013:							
Profit for the period	-	-	-	-	-	23,054	23,054
Other comprehensive income	-	2,026	900	-	-	-	2,926
Total comprehensive income for the period	-	2,026	900	-	-	23,054	25,980
At 31 March 2013	305,084	30,257	4,690	4,185	12,156	131,674	488,046
Changes in equity for							
9 months ended 31 December 2013:							
Profit for the period	-	-	-	-	-	32,229	32,229
Other comprehensive income	-	11,048	360	-	-	-	11,408
Total comprehensive income for the period	-	11,048	360	-	-	32,229	43,637
Disposal of interest in a subsidiary	-	-	-	610	-	-	610
Transfer to statutory reserve	-	-	-	-	4,562	(3,880)	682
Dividend relating to 2012	-	-	-	-	-	(9,826)	(9,826)
At 31 December 2013 and 1 January 2014	305,084	41,305	5,050	4,795	16,718	150,197	523,149
Changes in equity for							
3 months ended 31 March 2014:							
Profit for the period	-	-	-	-	-	10,818	10,818
Other comprehensive income	-	(4,081)	(1,260)	-	-	-	(5,341)
Total comprehensive income for the period	-	(4,081)	(1,260)	-	-	10,818	5,477
At 31 March 2014	305,084	37,224	3,790	4,795	16,718	161,015	528,626

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Environmental Industrial and Medical Waste Integrated Treatment Services

For the three months ended 31 March 2014, the Group collected for treatment 8,783 metric tons (2013: 5,407 metric tons) of hazardous industrial waste, 2,515 metric tons (2013: 2,196 metric tons) of general industrial waste, and 851 metric tons (2013: 1,023 metric tons) of regulated medical waste in various cities of Jiangsu Province. The tank truck cleansing service centre in Zhenjiang had serviced 161 vehicles for the three months ended 31 March 2014 (2013: 387 vehicles). The nitrile rubber recycling centre has been sub-contracted put to a third party for operation commencing 1 January 2014 which had handled approximately 104 metric tons of synthetic scrap rubber for the three months ended 31 March 2014 (2013: 188 metric tons).

For the three months ended 31 March 2014, the profit margin (pre-tax) of the Group's environmental waste integrated treatment services was approximately 35.9% (2013: 34.3%).

Industrial Sewage and Sludge Treatment in Eco-plating Specialised Zone

For the three months ended 31 March 2014, the average utilisation rate of the industrial buildings was approximately 90% (2013: 74%) and the centralised plating sewage treatment system in the eco-plating specialised industrial zone had handled approximately 110,700 metric tons (2013: 77,560 metric tons) of plating sewage discharged from the manufacturers in the zone.

For the three months ended 31 March 2014, the profit margin (pre-tax) of the Group's operations in the eco-plating specialised industrial zone was approximately 12.2% (2013: 12.9%).

Investments in plastic materials dyeing operations

For the three months ended 31 March 2014, the profit margins (pre-tax) of Suzhou New Huamei Plastics Company Limited ("Suzhou New Huamei"), Danyang New Huamei Plastics Company Limited ("Danyang New Huamei") and Qingdao Zhongxin Huamei Plastics Company Limited ("Qingdao Huamei") that engaged in plastic material dyeing business in Mainland China were 6.2%, 2.6% and 2.2% (2013: 5.9%, 2.2% and 2.1%) respectively.

Proposed transfer of listing

On 31 March 2014, the Company submitted a formal application to the Stock Exchange for the transfer of listing of the shares of the Company (the "Shares") from GEM to the Main Board under the transfer of listing arrangement pursuant to Chapter 9A of the Rules Governing the Listing of the Securities on the Stock Exchange. The Board believes that the transfer of listing will enhance the profile of the Company and increase the trading liquidity of the Shares. The Board considers that the transfer of listing will be beneficial to the future growth and business development of the Group as well as its financing flexibility. There is no assurance that permission will be obtained from the Stock Exchange for the transfer of listing. Further announcement(s) will be made by the Company in relation to the progress of the proposed transfer of listing as and when appropriate.

Outlook

The Group will continue to focus on environmental related business and will enhance its existing incineration and landfill capacity while continuously improve the waste management and treatment standards. Barring any unforeseeable risks from the global and local economies that might affect the Group's environmental operations in the Mainland China, the Group will target for a modest growth in current year.

FINANCIAL REVIEW

Summary of quarterly results

The changes in unaudited consolidated financial information of the continuing operations of the Group for the three months ended 31 March 2014 compared to the unaudited figures for the corresponding period in 2013 are summarised as follows:

<i>(Expressed in HK\$'000 unless indicated otherwise)</i>	Note	Three months ended 31 March		Change (%)
		2014	2013	
Continuing operations				
Revenue	(a)	60,588	37,923	+59.8
Gross profit margin (in percentage)	(b)	48.7	49.6	-1.8
Other revenue	(c)	65	55	+18.2
Other net income	(d)	6,453	143	+4,412.6
Distribution and selling expenses	(e)	3,732	1,870	+99.6
Administrative expenses	(f)	9,610	6,121	+57.0
Other operating expenses	(g)	2,204	1,484	+48.5
Finance income	(h)	393	312	+26.0
Finance costs	(h)	684	1,026	-33.3
Share of net loss of associates	(i)	(1,265)	(206)	+514.1
Income tax	(j)	5,506	2,730	+101.7
Profit for the period	(k)	13,438	5,865	+129.1
Profit attributable to owners of the Company				
from continuing operations	(k)	10,818	4,508	+140.0
Basic and diluted EPS (HK cents)	(k)	0.41	0.17	+141.2

Notes:

- (a) Net increase in total revenue for the three months ended 31 March 2014 was mainly attributable to increase in quantities of hazardous and general industrial solid waste collected for innocuity treatment and disposal in current period.
- (b) Decrease in gross profit margin of the Group for the three months ended 31 March 2014 was mainly attributable to the relatively higher cost of sales for the new treatment plant in Dafeng of Yancheng.
- (c) Net increase in other revenue for the three months ended 31 March 2014 was mainly attributable to slightly increase in sundry scrap sales.
- (d) Net increase in other net income for the three months ended 31 March 2014 was mainly attributable to:
- (i) environmental subsidies received from PRC government by a subsidiary in Zhenjiang, and
 - (ii) reversal of over-accrued expenses before the de-registration of two defunct subsidiaries became effective on 1 April 2014.
- (e) Net increase in distribution and selling expenses for the three months ended 31 March 2014 was mainly attributable to increase in incentive payments for marketing purposes.
- (f) Net increase in administrative expenses for the three months ended 31 March 2014 was mainly attributable to increase in staff costs.
- (g) Net increase in other operating expenses for the three months ended 31 March 2014 was mainly attributable to increase in expenses on greening project for the treatment plant in Dafeng of Yancheng.
- (h) Net decrease in net finance costs for the three months ended 31 March 2014 was mainly attributable to decrease in bank borrowings during the period.
- (i) A net loss shared from associates for the three months ended 31 March 2014 was mainly attributable to the revenue could not cover overall expenses of running the hazardous waste landfills of an associate in current period.
- (j) Net increase in income tax for the three months ended 31 March 2014 was mainly attributable to increase in assessable profits of PRC subsidiaries engaging in environmental integrated waste treatment services.
- (k) For the three months ended 31 March 2014, net increase in profit, increase in profit attributable to owners of the Company and increase in EPS arisen from continuing operations were mainly attributable to:
- (i) increase in other net income, and
 - (ii) increase in profits from the Group's environmental waste treatment services.

Capital expenditure

For the three months ended 31 March 2014, the Group incurred capital expenditure to increase property, plant and equipment (i) for environmental waste treatment services amounted to HK\$9,265,000 (2013: HK\$5,058,000), and (ii) for industrial sewage and sludge treatment and facility provision services in the eco-plating industrial zone amounted to HK\$1,756,000 (2013: HK\$3,387,000).

Capital commitments

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

	31 March 2014 HK\$'000	31 December 2013 HK\$'000
Contracted but not provided for:		
– Acquisition of property, plant and equipment	85,396	84,397
Authorised but not contracted for:		
– Acquisition of property, plant and equipment	17,453	17,447
– Investment in available-for-sale equity investments	3,083	3,443

Liquidity, financial resources and gearing

During the three months ended 31 March 2014, the Group financed its operations with internally generated cash flows, banking facilities and other borrowings. The Group remained stable in its financial position with unaudited equity attributable to owners of the Company amounting approximately to HK\$555,183,000 as at 31 March 2014 (31 December 2013: HK\$549,706,000) and total assets amounting approximately to HK\$822,779,000 as at 31 March 2014 (31 December 2013: HK\$834,462,000). The current ratio of the Group representing the consolidated current assets to the consolidated current liabilities was 1.25 times as at 31 March 2014 (31 December 2013: 1.18 times).

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

	31 March 2014 HK\$'000	31 December 2013 HK\$'000
Cash and bank balances		
– Continuing operations	93,111	109,827
Available unused secured banking facilities		
– Continuing operations	64,790	65,355

The Group monitors its capital through gearing ratio. This ratio is calculated as net debts divided by total capital. The net debts are calculated as all liabilities (excluding deferred government grants, income tax payable and deferred taxes) shown in the consolidated balance sheet less cash and cash equivalents of the Group. Total capital is calculated as the total equity shown in the consolidated balance sheet plus the aforementioned net debts. The gearing ratio at the end of the reporting period was as follows:

	31 March 2014 HK\$'000	31 December 2013 HK\$'000
Total liabilities (excluding deferred government grants, income tax payable and deferred taxes)	172,237	190,049
Less: cash and bank balances	93,111	109,827
Net debts	79,126	80,222
Total equity	615,776	608,257
Total capital	694,902	688,479
Gearing ratio	11.4%	11.7%

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

Material acquisitions and disposals of subsidiaries and affiliated companies

On 1 April 2014, the dissolution and de-registration of the Group's subsidiaries, New Universe International Ports Limited and New Universe International Warehouse & Logistics Limited were completed and effective respectively.

Save as disclosed therein, there were no other significant investments nor material acquisition and disposal of subsidiaries and affiliated companies of the Company for the three months ended 31 March 2014.

Significant investments held and their performance

According to the valuation report dated 8 May 2014 issued by an independent professional valuer, Cushman & Wakefield Valuation Advisory Services (HK) Limited ("Cushman & Wakefield"), the fair value attributable to the Group's interests in the available-for-sale equity investments in Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei as at 31 March 2014 were HK\$42,600,000, HK\$11,100,000 and HK\$12,400,000 (31 December 2013: HK\$43,800,000, HK\$11,100,000 and HK\$12,600,000) respectively. The fair value of the unlisted available-for-sale equity investments was being determined using the enterprise value to earnings before interest and tax ratio of comparable listed companies adjusted for lack of marketability discount at 16% (31 December 2013: 16%).

For the three months end 31 March 2014, there was no significant change to the carrying amount of the available-for-sale equity investment that was being stated at cost.

Impairment testing on goodwill

As at 31 March 2014, the assessment on the recoverable amount of the Group's cash generating unit principally engaged in environmental waste treatment services in the PRC was determined by referring to the valuation report dated 8 May 2014 issued by the independent professional valuer, Cushman & Wakefield, after their review of the cash flows projection at a long-term growth rate at 2% (31 December 2013: 2%) of the environmental entities of the Group comprising Zhenjiang New Universe Solid Waste Disposal Company Limited, Yancheng New Universe Solid Waste Disposal Company Limited, and Taizhou New Universe Solid Waste Disposal Company Limited, using the pre-tax discount rate of 20.40% (31 December 2013: 20.55%) taken into account of the risks for the industries, no impairment loss to the goodwill was considered necessary for the three months end 31 March 2014 (2013: Nil).

Capital structure

There was no significant change to the capital structure of the Company as at 31 March 2014 compared to that as at 31 December 2013.

Charges on assets

The Group pledged certain property, plant and equipment and the land use rights with carrying amounts of HK\$90,660,000 and HK\$19,601,000 as at 31 March 2014 (31 December 2013: HK\$93,028,000 and HK\$19,803,000) respectively to secure bank facilities totally amounted approximately to HK\$113,809,000 as at 31 March 2014 (31 December 2013: HK\$119,362,000) which to the extent of HK\$49,019,000 were utilised as bank borrowings as at 31 March 2014 (31 December 2013: HK\$54,007,000) granted to the Group.

Exposure to fluctuations in exchange rates

As most of the Group's monetary assets and liabilities were dominated in Renminbi, Hong Kong dollars, and US dollars, the exchange risks of the Group were considered to be minimal. For the three months ended 31 March 2014, no related hedging had been arranged by the Group.

Contingent liabilities

There were no significant contingent liabilities of the Group as at 31 March 2014 (31 December 2013: Nil).

Employee information

As at 31 March 2014, the Group had 240 (2013: 237) full-time employees, of which 17 (2013: 16) were based in Hong Kong, and 223 (2013: 221) in the Mainland China for continuing operations. For the three months ended 31 March 2014, staff costs, including the Directors' remuneration and amount capitalised as inventories was HK\$10,255,000 (2013: HK\$7,043,000) for the Group's continuing operations. 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 continued development and trainings.

CHANGE IN DIRECTORS' INFORMATION

It was brought to the attention of the Company on 15 April 2014 that a bankruptcy petition ("Petition") was filed against Mr. XI Yu, an executive director, the chairman and ultimate controlling shareholder of the Company. To the best knowledge and belief of the Directors, the Petition was filed by the ex-spouse of Mr. XI Yu in relation to an amount payable by Mr. XI Yu in connection with the matrimonial proceedings in process between Mr. XI Yu and his ex-spouse. It is ordered that the Petition shall be heard at the High Court on 11 June 2014.

Save as disclosed therein, there was no other change in details of the Directors' information since the date of last annual report of the Company for the year ended 31 December 2013.

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2014, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were entered into the register pursuant to section 352 of the SFO, to be entered in the register referred therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

The Company

Long positions in issued shares of the Company

Name of Director	Number of ordinary shares of HK\$0.01 each				% of total shares in issue
	Personal/beneficial interest	Interest of children or spouse	Interests of controlled corporation	Number of shares held	
Mr. Xi Yu *	–	–	1,871,823,656	1,871,823,656	70.48

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 1,871,823,656 shares of the Company, representing approximately 70.48% of the issued share capital of the Company.

Associated corporation

Long positions in issued shares in NUEL

Name of Director	Number of ordinary shares of US\$1.00 each				% of total shares in issue
	Personal/beneficial interest	Interest of children or spouse	Interests of controlled corporation	Number of shares held	
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 March 2014, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed herein, at no time during the reporting period was the Company, its subsidiaries, its associated companies, its fellow subsidiaries or its holding company a party to any arrangement to enable the Directors and chief executives of the Company (and their spouses or children under the age of 18) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations.

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

As at 31 March 2014, so far as is known to any Director or chief executive of the Company, the interests or short positions of any person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in issued shares of the Company

Name of shareholder	Number of ordinary shares of HK\$0.01 each			Number of shares held	% of total shares in issue
	Beneficial owner	Family interests	Interests of controlled corporation		
NUEL*	1,871,823,656	–	–	1,871,823,656	70.48

Note:

- * Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. SUEN Ki, all of whom are Directors of the Company, are also directors of NUEL.

Save as disclosed above, as at 31 March 2014, the Directors of the Company were not aware of any other person who had an interest or short position in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme was adopted by the Company's shareholders on 10 December 2003 had lapsed on 9 December 2013. As at 31 March 2014 and during the three months then ended, the Company has no valid option share option scheme nor any option outstanding under the share option scheme lapsed.

CONNECTED TRANSACTIONS

Save as disclosed herein under the “Directors’ Interests in Contracts of Significance”, there were no significant connected transactions of the Group (defined under the GEM Listing Rules) which were discloseable for the three months ended 31 March 2014.

DIRECTOR’S INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the three months ended 31 March 2014, contracts or arrangements subsisted, of which certain Directors had interests that were deemed significant to the business of the Group are set out as follows:

1. Mr. XI Yu has provided personal guarantees, and New Universe Environmental Technologies (Jiang Su) Limited (“NUET(JS)”, a 82% indirectly owned subsidiary of the Company) and New Universe Holdings Limited (“NUHL”, a related party of the Company), both of which Mr. XI Yu and Ms. CHEUNG Siu Ling are directors, have provided corporate guarantees in the following arrangements:
 - (a) The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank (Hong Kong) Limited and DBS Bank (Hong Kong) Limited have, pursuant to a facility agreement dated 8 August 2008, agreed to grant the loan facilities of up to US\$14,000,000 to Fair Time International Limited, a 98% indirectly owned subsidiary of the Company, which are guaranteed by Mr. XI Yu and NUHL. As at 31 March 2014, the outstanding loan was US\$375,000 (approximately HK\$2,909,000).
 - (b) The Hongkong and Shanghai Banking Corporation Limited has pursuant to a facility letter dated 14 June 2011 and renewed facility letters dated 13 April 2012 and 20 June 2013, granted banking facilities of up to HK\$10,000,000 to NUET(JS), which are guaranteed by the Company and Mr. XI Yu, each up to a limit of HK\$10,000,000. As at 31 March 2014, the outstanding loan was HK\$6,250,000.
 - (c) Standard Chartered Bank (Hong Kong) Limited has pursuant to a facility letter dated 1 March 2012, granted banking facilities of up to HK\$50,700,000 to the Company, and pursuant to a renewed facility letter dated 16 October 2013, granted banking facilities up to a revised amount of HK\$23,400,000, which are guaranteed by Mr. XI Yu and NUET(JS). As at 31 March 2014, the outstanding loan was HK\$10,000,000.

- (d) The Hongkong and Shanghai Banking Corporation Limited has pursuant to a facility letter dated 6 July 2012, granted banking facilities of up to HK\$12,000,000 to NUET(JS), which were guaranteed by Mr. XI Yu up to a limit of HK\$12,000,000, and Ms. CHEUNG Siu Ling and Mr. SUEN Ki, each up to a limit of HK\$2,000,000. Pursuant to a renewed facility letter dated 5 November 2012, The Hongkong and Shanghai Banking Corporation Limited agreed to extend the latest drawdown date for the banking facilities of up to HK\$12,000,000 granted to NUET(JS), and has revised the security for the said banking facilities, which are currently guaranteed by Mr. XI Yu, Ms. CHEUNG Siu Ling and Mr. SUEN Ki, each up to a limit of HK\$12,000,000. As at 31 March 2014, the outstanding loan was HK\$9,800,000.
 - (e) Hang Seng Bank Limited has pursuant to a facility letter dated 21 August 2012, granted banking facilities of up to HK\$15,000,000 to NUET(JS), which are guaranteed by the Company and Mr. XI Yu, each up to a limit of HK\$15,000,000. As at 31 March 2014, the outstanding loan was HK\$13,125,000.
2. Each of Mr. XI Yu and Ms. CHEUNG Siu Ling is a director of the landlord to both of the following tenancy agreements entered into by the Group as tenants:
- (a) A tenancy agreement dated 26 July 2012 entered into between Smartech Services Limited (“Smartech Services”, an indirectly wholly owned subsidiary of the Company) as tenant and Sun Ngai International Investment Limited (“Sun Ngai”, a wholly owned subsidiary of NUHL of which the board of directors comprises Mr. XI Yu and Ms. CHEUNG Siu Ling) as landlord. Pursuant to which, Smartech Services rented an office unit located at Room 2109, Telford House, 16 Wang Hoi Road, Kowloon Bay, Hong Kong from Sun Ngai at a monthly rental of HK\$20,000 for the term from 1 August 2012 to 31 July 2013. The tenancy agreement was renewed on 15 July 2013 at the same monthly rental of HK\$20,000 for an extended term to 31 July 2014.
 - (b) A tenancy agreement dated 8 December 2010 entered into between Smartech Services as tenant and Sun Ngai as landlord. Pursuant to which, Smartech Services rented a factory unit for use as warehouse located at Suite 12, 5th Floor, Yuen Fat Industrial Building, 25 Wang Chiu Road, Kowloon Bay, Hong Kong from Sun Ngai at a monthly rental of HK\$4,000 for the term from 1 January 2011 to 31 December 2013. The tenancy was renewed on 20 December 2013 for a term from 1 January 2014 to 31 December 2016 at a monthly rental of HK\$8,000.

The above transactions were conducted on terms no less favourable than terms available from independent third parties which were in the ordinary course of business of the Group.

Save as disclosed therein, no contract of significance to which the Company, its subsidiaries, its fellow subsidiaries or its holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or any time during that period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

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

Neither the Company, nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities during the three months ended 31 March 2014.

CORPORATE GOVERNANCE PRACTICES

Throughout the three months ended 31 March 2014, the Company complied with all code provisions of Corporate Governance Code and Corporate Governance Report ("CG Codes") as set out in Appendix 15 of the GEM Listing Rules, and the Directors confirmed that they were not aware of any deviation from the CG Codes during the period then ended.

DIRECTORS' SECURITIES TRANSACTIONS

During the three months ended 31 March 2014, the Company had applied the principals of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules ("Required Standard of Dealings"). Having made specific enquiry of all Directors of the Company, the Directors confirmed that they had complied with or they were not aware of any non-compliance with the Required Standard of Dealings during the three months ended 31 March 2014.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprising three independent non-executive Directors, Dr. CHAN Yan Cheong (as the Committee Chairman), Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred. The Audit Committee has reviewed with the management the unaudited consolidated financial results and financial information of the Company for the three months ended 31 March 2014.

By order of the Board
New Universe International Group Limited
SONG Yu Qing
Chief Executive Officer and Vice Chairman

Hong Kong, 8 May 2014

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

Mr. XI Yu	<i>(Executive Director and Chairman)</i>
Mr. SONG Yu Qing	<i>(Executive Director, Chief Executive Officer and Vice Chairman)</i>
Mr. HON Wa Fai	<i>(Executive Director)</i>
Ms. CHEUNG Siu Ling	<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>