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New Universe Environmental Group Limited

新宇環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 436)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations for the six months ended 30 June 2024 decreased by 17.2% to approximately HK\$166,070,000 as compared to approximately HK\$200,638,000 for the corresponding period in 2023.
- Net loss for the six months ended 30 June 2024 was approximately HK\$23,706,000, decreased by 36.4% as compared to approximately HK\$37,247,000 for the corresponding period in 2023.
- Loss attributable to the owners of the Company for the six months ended 30 June 2024 was approximately HK\$20,248,000, decreased by 38.9% as compared to approximately HK\$33,165,000 for the corresponding period in 2023.
- Equity attributable to owners of the Company at 30 June 2024 was approximately HK\$888,574,000, decreased by 2.2% as compared to approximately HK\$908,251,000 at 31 December 2023.
- Cash and cash equivalents of the Group at 30 June 2024 was approximately HK\$212,302,000, increased by 13.9% as compared to approximately HK\$186,365,000 at 31 December 2023.
- Bank borrowings of the Group at 30 June 2024 was approximately HK\$53,700,000, increased by 22.0% as compared to approximately HK\$44,000,000 at 31 December 2023.
- Basic loss per share attributable to owners of the Company for the six months ended 30 June 2024 was HK cents 0.67 as compared to basic loss per share of HK cents 1.09 for the corresponding period in 2023.
- The Board resolved not to declare a dividend for the six months ended 30 June 2024.

The board of directors (the “**Directors**”) of New Universe Environmental Group Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	<i>Note</i>	Six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000 (Restated)
Continuing operations			
Revenue	3(a)	166,070	200,638
Cost of sales		<u>(146,139)</u>	<u>(175,372)</u>
Gross profit		19,931	25,266
Other revenue	4	3,745	3,945
Other income	5	3,564	2,518
Reversal of impairment loss/(impairment loss) on trade receivables, net		1,927	(13)
Distribution costs		(10,083)	(10,121)
Administrative expenses		(22,071)	(22,833)
Other operating expenses	7	<u>(5,738)</u>	<u>(13,291)</u>
Operating loss		(8,725)	(14,529)
Finance income	6	1,827	3,537
Finance costs	6	<u>(914)</u>	<u>(2,051)</u>
Finance income, net	6	913	1,486
Share of results of associates		(5,145)	(4,424)
Share of results of a joint venture		<u>(5,890)</u>	<u>(6,110)</u>
Loss before taxation	7	(18,847)	(23,577)
Income tax	8	<u>(4,859)</u>	<u>(6,401)</u>
Loss from continuing operations		<u>(23,706)</u>	<u>(29,978)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(CONTINUED)**

		Six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$'000	<i>HK\$'000</i> (Restated)
Discontinued operation			
Loss from discontinued operation	9	<u>–</u>	<u>(7,269)</u>
Loss for the period		<u>(23,706)</u>	<u>(37,247)</u>
Attributable to:			
Owners of the Company		<u>(20,248)</u>	<u>(33,165)</u>
Non-controlling interests		<u>(3,458)</u>	<u>(4,082)</u>
		<u>(23,706)</u>	<u>(37,247)</u>
Loss attributable to owners of the Company:			
– From continuing operations		<u>(20,248)</u>	<u>(25,896)</u>
– From discontinued operation		<u>–</u>	<u>(7,269)</u>
		<u>(20,248)</u>	<u>(33,165)</u>
Loss per share			
	10		
From continuing and discontinued operations Basic and diluted		HK cents (0.67)	HK cents (1.09)
From continuing operations Basic and diluted		<u>HK cents (0.67)</u>	<u>HK cents (0.85)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
Loss for the period	(23,706)	(37,247)
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences		
– on translation of financial statements of overseas subsidiaries	(15,892)	(29,219)
– on translation of financial statements of overseas associates	(3,222)	(6,690)
– on translation of financial statements of an overseas joint venture	(725)	(1,420)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value changes on equity investments at fair value through other comprehensive income (non-recycling)	24,200	(500)
Deferred tax effect relating to changes in fair value of equity investments	(1,550)	(430)
Other comprehensive income for the period, net of income tax	2,811	(38,259)
Total comprehensive loss for the period	(20,895)	(75,506)
Attributable to:		
Owners of the Company	(15,019)	(66,498)
Non-controlling interests	(5,876)	(9,008)
	(20,895)	(75,506)
Total comprehensive loss for the period attributable to owners of the Company arises from:		
Continuing operations	(15,019)	(59,219)
Discontinued operation	–	(7,279)
	(15,019)	(66,498)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		542,319	578,436
Right-of-use assets		95,800	98,547
Goodwill		33,000	33,000
Interests in associates		130,532	138,899
Interest in a joint venture		27,068	33,683
Equity investments at fair value through other comprehensive income		105,700	81,500
Deferred tax assets		5,231	5,846
		939,650	969,911
		939,650	969,911
Current assets			
Inventories		4,291	4,936
Trade and bills receivables	12	67,799	92,617
Prepayments, deposits and other receivables	13	38,930	32,497
Restricted bank deposits		2,188	731
Cash and cash equivalents		212,302	186,365
		325,510	317,146
Assets classified as held for sale		14,027	14,367
		339,537	331,513
		339,537	331,513
Current liabilities			
Bank borrowings		53,700	44,000
Trade payables	14	39,409	59,392
Accrued liabilities and other payables	15	153,052	137,374
Lease liabilities		164	332
Contract liabilities		2,499	4,272
Deferred government grants		1,610	1,881
Income tax payable		2,337	2,729
		252,771	249,980
		252,771	249,980
Net current assets		86,766	81,533
		86,766	81,533
Total assets		1,279,187	1,301,424
		1,279,187	1,301,424
Total assets less current liabilities		1,026,416	1,051,444
		1,026,416	1,051,444

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

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Non-current liabilities		
Deferred government grants	7,583	8,360
Deferred tax liabilities	<u>31,027</u>	<u>29,725</u>
	<u>38,610</u>	<u>38,085</u>
Total liabilities	<u>291,381</u>	<u>288,065</u>
Net assets	<u>987,806</u>	<u>1,013,359</u>
Capital and reserves		
Share capital	30,357	30,357
Reserves	<u>858,217</u>	<u>877,894</u>
Equity attributable to owners of the Company	<u>888,574</u>	<u>908,251</u>
Non-controlling interests	<u>99,232</u>	<u>105,108</u>
Total equity	<u>987,806</u>	<u>1,013,359</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

These unaudited consolidated financial statements of the Company for the six months ended 30 June 2024 has been prepared in accordance with the applicable requirements of Appendix D2 “Disclosure of Financial information” to The Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The condensed consolidated interim financial statements were approved by the board of directors on 21 August 2024.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current
- Amendments to HKAS 1, Presentation of financial statements: Non-current liabilities with covenants
- Amendments to HKFRS 16, Leases: Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

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

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

(i) Disaggregation of revenue

Revenue of the Group from continuing operations were generated from hazardous waste incineration and landfill services, industrial sewage treatment services and providing related utilities and management services, and providing factory facilities.

Disaggregation of revenue from contracts with customers by service lines is as follows:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
Revenue from contracts with customers		
Disaggregation by service lines		
– Revenue from hazardous waste incineration and landfill services	105,297	138,808
– Revenue from industrial sewage treatment services and providing related utilities and management services	46,282	45,533
	<u>151,579</u>	<u>184,341</u>
Revenue from other sources		
– Leasing income from providing factory facilities	14,491	16,297
	<u>166,070</u>	<u>200,638</u>
Timing of revenue recognition in respect of contracts with customers		
– At a point in time	105,297	138,808
– Over time	46,282	45,533
	<u>151,579</u>	<u>184,341</u>

(ii) Performance obligations

There were no transaction prices being allocated to any remaining performance obligations as at 30 June 2024 (31 December 2023: Nil).

(b) Segment reporting

The Group manages its business by segments, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Company's executive Directors, being the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

- (i) provision of environmental treatment and disposal services for industrial and medical wastes;
- (ii) provision of environmental plating sewage treatment services and provision of management services, utilities and leasing out certain factory buildings under operating leases in an eco-plating specialised zone; and
- (iii) investments in plastic materials dyeing business.

On 3 August 2023, the environmental equipment construction and installation services was discontinued, which was then classified as a discontinued operation. Further details of financial information of the discontinued operation are set out in note 9 to this unaudited interim financial statements.

(c) **Segment results, assets and liabilities**

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities of the Group attributable to each reportable segment for the period under review as follows:

For the six months ended 30 June 2024 (Unaudited)

Continuing operations

	Operating segments				Unallocated head office and corporate HK\$'000	Total HK\$'000
	Environmental waste treatment and disposal HK\$'000	Environmental sewage treatment, management services, utilities and facilities HK\$'000	Plastic dyeing investments HK\$'000	Segment sub-total HK\$'000		
Revenue from external customers	105,297	60,773	-	166,070	-	166,070
Other revenue	-	-	3,745	3,745	-	3,745
Reportable segment revenue	105,297	60,773	3,745	169,815	-	169,815
Reportable segment results	(27,403)	12,677	3,425	(11,301)	(7,546)	(18,847)
Other income	2,961	603	-	3,564	-	3,564
Finance income	1,594	9	-	1,603	224	1,827
Finance costs	(914)	-	-	(914)	-	(914)
Depreciation of property, plant and equipment	(25,305)	(9,020)	-	(34,325)	(175)	(34,500)
Depreciation of right-of-use assets	(673)	(946)	-	(1,619)	-	(1,619)
Reversal of impairment loss on trade receivables, net	1,927	-	-	1,927	-	1,927
Reportable segment assets at end of reporting period	848,644	305,495	109,417	1,263,556	15,631	1,279,187
Additions to non-current segment assets	1,220	10,515	-	11,735	-	11,735
Reportable segment liabilities at end of reporting period	216,017	60,275	7,871	284,163	7,218	291,381

For the six months ended 30 June 2023 (Unaudited and Restated)

Continuing operations

	Operating segments					Total HK\$'000
	Environmental waste treatment and disposal HK\$'000	Environmental sewage treatment, management services, utilities and facilities HK\$'000	Plastic dyeing investments HK\$'000	Segment sub-total HK\$'000	Unallocated head office and corporate HK\$'000	
Revenue from external customers	138,808	61,830	–	200,638	–	200,638
Other revenue	–	–	3,945	3,945	–	3,945
Reportable segment revenue	138,808	61,830	3,945	204,583	–	204,583
Reportable segment results	(26,499)	8,018	3,629	(14,852)	(8,725)	(23,577)
Other income	1,661	857	–	2,518	–	2,518
Finance income	3,335	(97)	–	3,238	299	3,537
Finance costs	(1,242)	(306)	–	(1,548)	(503)	(2,051)
Depreciation of property, plant and equipment	(26,361)	(9,617)	–	(35,978)	(176)	(36,154)
Depreciation of right-of-use assets	(682)	(950)	–	(1,632)	–	(1,632)
Impairment loss on trade receivables, net	(13)	–	–	(13)	–	(13)
Reportable segment assets at 31 December 2023	906,488	290,110	81,881	1,278,479	22,945	1,301,424
Additions to non-current segment assets for 12 months ended 31 December 2023	14,152	5,974	–	20,126	6	20,132
Reportable segment liabilities at 31 December 2023	228,076	51,037	6,321	285,434	2,631	288,065

(d) **Reconciliation of reportable segment revenue, profit or loss, assets and liabilities**

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
Continuing operations		
Revenue		
Consolidated revenue	166,070	200,638
Elimination of inter-segment revenue	–	–
Other revenue	3,745	3,945
	<u>169,815</u>	<u>204,583</u>
Reportable segment revenue	<u><u>169,815</u></u>	<u><u>204,583</u></u>
Loss from continuing operations		
Reportable segment loss	(11,301)	(14,852)
Unallocated head office and corporate expenses, net	(7,546)	(8,725)
	<u>(18,847)</u>	<u>(23,577)</u>
Consolidated loss before taxation	<u><u>(18,847)</u></u>	<u><u>(23,577)</u></u>
	30 June	31 December
	2024	2023
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Assets		
Reportable segment assets	1,263,556	1,278,479
Unallocated head office and corporate assets	15,631	22,945
	<u>1,279,187</u>	<u>1,301,424</u>
Consolidated total assets	<u><u>1,279,187</u></u>	<u><u>1,301,424</u></u>
Liabilities		
Reportable segment liabilities	284,163	285,434
Unallocated head office and corporate liabilities	7,218	2,631
	<u>291,381</u>	<u>288,065</u>
Consolidated total liabilities	<u><u>291,381</u></u>	<u><u>288,065</u></u>

(e) **Geographical information**

All revenue and non-current assets of the Group are generated from and located in the PRC, respectively. Accordingly, no analysis by geographical basis is presented.

(f) **Major customers**

For the six months ended 30 June 2024, there was no major customer accounted for 10% or more of the total revenue of the Group (2023: Nil).

4. OTHER REVENUE

Continuing operations

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Dividend income from equity investments at fair value through other comprehensive income	<u>3,745</u>	<u>3,945</u>

5. OTHER INCOME

Continuing operations

	Note	Six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Waiver concessions received from service providers		2,515	–
Value-added tax refund	(i)	62	1,031
Government grants	(ii)	–	41
Release of deferred governmental grants		816	1,054
Sundry income		<u>171</u>	<u>392</u>
		<u>3,564</u>	<u>2,518</u>

Notes:

- (i) Value-added tax refund of HK\$62,000 (2023: HK\$1,031,000) was recognised as income for the period ended 30 June 2024 in relation to certain environmental operations of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to such tax refunds. There is no assurance that the Group will continue to receive such tax refunds in the future.
- (ii) Government grants were to subsidise certain hazardous and solid waste treatment projects of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.

6. FINANCE INCOME AND COSTS

Continuing operations

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income from:		
Interest income on short-term bank deposits	2,052	2,655
Net foreign exchange (loss)/gain	(225)	882
Total finance income	1,827	3,537
Interest expenses on:		
Bank borrowings	908	2,037
Lease liabilities	6	14
Total finance costs	914	2,051
Net finance income	913	1,486

7. LOSS BEFORE TAXATION

Loss before taxation from continuing operations was arrived at after charging:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of property, plant and equipment	34,500	36,154
Depreciation of right-of-use assets	1,619	1,632
Operating lease charges for minimum lease payments		
– land and buildings in Hong Kong	540	540
– landfill in the PRC	54	55
	<hr/>	<hr/>
Other operating expenses:		
– loss on disposal of property, plant and equipment, net	13	96
– costs on non-compliance incidents	710	20
– legal and professional expenses	1,669	1,633
– research and development expenses	2,707	3,377
– costs on cleanup of development site	–	2,984
– other expenses	639	5,181
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	5,738	13,291
	<hr/>	<hr/>
Total staff costs (inclusive of Directors' emoluments)	38,398	43,436
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Cost of sales	146,139	175,372
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8. INCOME TAX

Income tax from continuing operations in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
PRC Corporate Income Tax	4,359	4,556
Under-provision in respect of prior periods	267	210
PRC Dividend Withholding Tax	–	1,884
	<u>4,626</u>	<u>6,650</u>
Deferred tax		
PRC Dividend Withholding Tax	–	(1,884)
Origination and reversal of other temporary differences	233	1,635
	<u>4,859</u>	<u>6,401</u>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (ii) Hong Kong Profits Tax is calculated at 16.5% (2023: 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 during the six months ended 30 June 2024 and 2023.
- (iii) The Company's subsidiaries in the PRC are subject to a statutory Corporate Income Tax ("CIT") at the rate of 25% (2023: 25%), except for the subsidiaries which are qualified as the High and New Technology Enterprise in the PRC that would be entitled to enjoy a preferential CIT at the rate of 15% (2023: 15%).
- (iv) Dividend distribution from subsidiaries in the PRC to the holding companies in Hong Kong is subject to a reduced withholding tax rate of 5% (2023: 5%).

9. DISCONTINUED OPERATION

On 3 August 2023, the Group completed the disposal of its entire interest in a subsidiary, Jiangsu Yu Xin Environmental Engineering Management Company Limited (“**Jiangsu Yu Xin**”). The results of Jiangsu Yu Xin for the period from 1 January 2023 to 30 June 2023 have been restated and presented as discontinued operation in the condensed consolidated interim financial statements, and corresponding notes have been restated to disclose the discontinued operation separately from continuing operations.

	Six months ended 30 June 2023 (Unaudited) <i>HK\$'000</i>
Revenue	543
Cost of sales	(5,542)
Other income	61
Distribution costs	(785)
Administrative expenses	(918)
Other operating expenses	(665)
Finance income	42
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Loss before tax	(7,264)
Income tax	(5)
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Loss for the period from discontinued operation	(7,269)
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Loss per share:	
Basic and diluted	HK cents (0.24)
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	Six months ended 30 June 2023 (Unaudited) <i>HK\$'000</i>
Net cash flows used in operating activities	(5,178)
Net cash flows used in investing activities	(13)
Net cash flows used in financing activities	(1,461)
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10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the six months ended 30 June 2024 of approximately HK\$20,248,000 (six months ended 30 June 2023: loss of approximately HK\$33,165,000) and the weighted average number of 3,035,697,018 (six months ended 30 June 2023: 3,035,697,018) ordinary shares of the Company in issue during the period.

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to owners of the Company for the six months ended 30 June 2024 of approximately HK\$20,248,000 (six months ended 30 June 2023: loss of approximately HK\$33,165,000) and the weighted average number of 3,035,697,018 (six months ended 30 June 2023: 3,035,697,018) ordinary shares of the Company for the six months ended 30 June 2024 after adjusting for the effect of deemed issue of shares under the Company's share option scheme.

11. DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2024 (2023: Nil).

12. TRADE AND BILLS RECEIVABLES

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Trade receivables	63,213	73,337
Lease receivables	21,376	15,853
Bills receivables	4,149	26,823
	<hr/>	<hr/>
	88,738	116,013
Less: allowance for credit loss	(20,939)	(23,396)
	<hr/>	<hr/>
	67,799	92,617
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Aging analysis

The ageing analysis of trade and bills receivables (including lease receivables) as of the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
0 to 30 days	29,785	57,669
31 to 60 days	14,291	9,236
61 to 90 days	7,831	10,694
91 to 180 days	6,578	6,305
181 to 360 days	6,026	3,738
Over 1 year	3,288	4,975
	67,799	92,617

The Group's trading terms with its customers are mainly on credit. The Group allows an average credit period of 60 days to its customers of environmental integrated treatment and disposal services for industrial waste, sewage and sludge, and an extended average credit period of 180 days to the customers of regulated medical waste treatment services which are hospitals and medical clinics.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Other receivables	295	402
Prepayments	7,930	7,990
Dividends receivable from equity investments	3,464	–
Amount due from a joint venture (i)	16,823	13,435
Consideration receivable from disposal of a subsidiary (ii)	10,418	10,670
	38,930	32,497

Notes:

- (i) The amount due is unsecured, bearing interest at rates ranging from 3.55% to 4.05% per annum and is subject to agreements with repayable on demand clause.
- (ii) The final due date of the outstanding consideration receivable arisen from the disposal of the entire equity interest in the then subsidiary, Jiangsu Yu Xin is 29 December 2024. The Group has legally urged the buyer to settle the delinquent portions of the consideration receivable in aggregate of RMB3,400,000 (approximately HK\$3,652,000) as at 30 June 2024.

14. TRADE PAYABLES

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Trade payables	39,409	59,392

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

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
0 to 30 days	9,631	12,740
31 to 60 days	4,278	5,422
61 to 90 days	3,342	3,022
Over 90 days	22,158	38,208
	39,409	59,392

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

15. ACCRUED LIABILITIES AND OTHER PAYABLES

		30 June 2024	31 December 2023
		(Unaudited)	(Audited)
	<i>Note</i>	HK\$'000	HK\$'000
Salaries and bonuses payable		4,834	6,627
Accounts payable for acquisition of property, plant and equipment		14,928	9,521
Costs accrued for land restoration and soil remediation of obsolete plants		25,753	26,377
Dividends payable to the shareholders of the Company		4,857	–
Dividends payable to non-controlling interests of a subsidiary	(i)	57,336	57,466
Other payables	(ii)	45,344	37,383
		153,052	137,374

Notes:

- (i) As at 30 June 2024, dividends payable to the non-controlling interests of the subsidiary, New Universe Environmental Technologies (Jiang Su) Limited (“**NUET(JS)**”), was comprised of amounts attributable to (i) Mr. YIN Yong Xiang approximately to HK\$25,540,000 (31 December 2023: HK\$25,540,000), (ii) Mr. SUN Jia Qing approximately to HK\$25,540,000 (31 December 2023: HK\$25,540,000), and (iii) Mr. LIU Lai Gen approximately to HK\$6,256,000 (31 December 2023: HK\$6,386,000). Mr. YIN Yong Xiang, Mr. SUN Jia Qing and Mr. LIU Lai Gen hold 8%, 8% and 2% of the equity interests in NUET(JS) respectively, and they are also the existing directors of Zhenjiang New Universe Solid Waste Disposal Company Limited (“**Zhenjiang New Universe**”), the wholly owned subsidiary of NUET(JS).
- (ii) As at 30 June 2024, other payables mainly comprised of, (i) audit fee HK\$1,005,000 (31 December 2023: HK\$1,350,000), (ii) retentions and deposits received of approximately HK\$15,610,000 (31 December 2023: HK\$14,318,000), (iii) accruals for selling expenses of approximately HK\$6,303,000 (31 December 2023: HK\$3,697,000), (iv) other tax payables of approximately HK\$1,490,000 (31 December 2023: HK\$1,854,000), (v) sewage treatment costs of approximately HK\$3,587,000 (31 December 2023: HK\$1,836,000), and (vi) repairs and maintenance costs of approximately HK\$6,736,000 (31 December 2023: HK\$4,456,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Environmental Treatment and Disposal Services for Industrial and Medical Wastes

For the six months ended 30 June 2024, the Group had collected from external customers for treatment and disposal in aggregate of approximately 45,591 metric tonnes (2023: 45,792 metric tonnes) of different hazardous wastes from various cities in Jiangsu Province, the PRC, and the total segment revenue from the provision of environmental treatment and disposal services for industrial and medical wastes was approximately HK\$105,297,000 (2023: HK\$138,808,000).

	For the six months ended 30 June			
	2024		2023	
	Waste collected and disposed <i>metric tonnes</i>	Segment revenue <i>HK\$'000</i>	Waste collected and disposed <i>metric tonnes</i>	Segment revenue <i>HK\$'000</i>
Hazardous industrial waste	41,946	83,318	40,623	115,910
Regulated medical waste	3,645	17,521	4,237	21,678
General industrial waste and others	–	4,458	932	1,220
Total	<u>45,591</u>	<u>105,297</u>	<u>45,792</u>	<u>138,808</u>

The Group holds interests in two associates, with 30% equity interest in Zhenjiang Xin Qu Solid Waste Disposal Limited* (“**Zhenjiang Xin Qu**”) and 30% equity interest in Nanjing Chemical Industry Park Tianyu Solid Waste Disposal Co., Limited (“**NCIP**”), that are principally engaged in the operations of providing environmental treatment and disposal of hazardous industrial waste services in Jiangsu Province, the PRC. The attributable results of Zhenjiang Xin Qu and NCIP are accounted for using equity method and classified under the operating segment of industrial and medical waste integrated treatment and disposal services. For the six months ended 30 June 2024, the Group shared a net profit of approximately HK\$666,000 (2023: net profit of approximately HK\$456,000) from Zhenjiang Xin Qu and shared a net loss of approximately HK\$5,811,000 (2023: net loss of approximately HK\$4,880,000) from NCIP respectively.

The Group also holds 65% equity interest in a sino-foreign joint venture, Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited* (“**Xinyu Rongkai**”), that is principally engaged in the provision of environmental treatment and disposal services for hazardous industrial waste in Liuzhou, Guangxi Province, the PRC. The attributable results of Xinyu Rongkai is accounted for using equity method and classified under the operating segment of industrial and medical waste integrated treatment and disposal services. For the six months ended 30 June 2024, the Group shared a net loss of approximately HK\$5,890,000 (2023: net loss of approximately HK\$6,110,000) from Xinyu Rongkai.

For the six months ended 30 June 2024, the Group’s environmental treatment and disposal of industrial and medical waste services segment recorded a pre-tax loss of approximately HK\$27,403,000 (2023: pre-tax loss of HK\$26,499,000) which was mainly attributable to the decrease in segment revenue and increase in costs on collection and transportation of hazardous waste as well as costs on handling the post-incinerated hazardous residue waste during the six months ended 30 June 2024.

At the end of the reporting period, the Group’s combined capacity of the facilities for the provision of environmental treatment and disposal services for industrial and medical wastes were summarised as follows:

		Annualised capacity	
		30 June 2024	31 December 2023
	<i>Note</i>	<i>metric tonnes</i>	<i>metric tonnes</i>
Subsidiaries in the PRC:			
Licensed hazardous waste incineration facilities		135,400	135,400
Licensed epidemic medical waste incineration facilities	(i), (ii)	11,200	10,490
Licensed epidemic medical waste detoxification treatment facilities		3,300	3,300
		<u>149,900</u>	<u>149,190</u>
Associated companies in the PRC:			
Licensed hazardous waste incineration facilities		38,000	38,000
Licensed hazardous waste landfill facilities		20,000	20,000
		<u>58,000</u>	<u>58,000</u>
Joint venture in the PRC:			
Licensed hazardous waste incineration facilities	(iii)	–	15,880
Combined licensed treatment and disposal facilities	(iv), (v)	<u>207,900</u>	<u>223,070</u>

Notes:

- (i) A new operating licence has been granted to a subsidiary located at Suqian, Jiangsu Province, the PRC for incineration of regulated medical waste with an annual capacity of 5,000 metric tonnes with effect from February 2023.
- (ii) A renewed operating licence has been granted to a subsidiary located at Zhenjiang, Jiangsu Province, the PRC for incineration of regulated medical waste with an increased annual capacity from 80 metric tonnes to 800 metric tonnes with effect from June 2024.
- (iii) The operating licence of Xinyu Rongkai for collection, incineration and disposal of hazardous industrial waste with an annual capacity of 20,000 metric tonnes has lapsed in October 2023 pending approval for renewal, and the facilities of the joint venture is pending governmental approval to resume operation.
- (iv) The combined capacity of the licensed waste treatment and disposal facilities represents the total effective treatment and disposal quantity of hazardous waste allowable to handle under the valid operating permission licences with contribution to the results of the Group as at the end of the reporting period calculated on an annualised basis.
- (v) The combined licensed treatment and disposal facilities did not include the hazardous waste landfill facilities with an annual capacity of 18,000 metric tonnes constructed and owned by a subsidiary situated at Yancheng, Jiangsu Province, the PRC, and the operation of which is still pending governmental approval to resume operation.

Environmental Plating Sewage Treatment Services in Eco-plating Specialised Zone

For the six months ended 30 June 2024, total revenue from the segment of provision of environmental plating sewage treatment services and provision of related facilities and utilities in the eco-plating specialised zone of the Group situated at Zhenjiang, Jiangsu Province, the PRC (the “**Eco-plating Specialised Zone**”) was approximately HK\$60,773,000 (2023: HK\$61,830,000) and the segment profit margin (pre-tax) was approximately 20.9% (2023: 13.0%).

	Segment revenue	
	For the six months	
	ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Industrial sewage treatment and providing public utilities and management services	46,282	45,533
Leasing of factory buildings and facilities	14,491	16,297
	<hr/>	<hr/>
Total	60,773	61,830
	<hr/> <hr/>	<hr/> <hr/>

	For the six months ended 30 June	
	2024	2023
Total gross floor area of factory buildings and facilities available for leasing (<i>square metres</i>)	101,034	101,034
Average utilisation rate of factory buildings and facilities	86.2%	91.8%
Plating sewage handled by the centralised sewage treatment plant (<i>metric tonnes</i>)	182,526	141,559
Average utilisation rate of sewage treatment capacity	20.3%	15.7%

The Eco-plating Specialised Zone is owned, built and operated by the Group’s wholly-owned subsidiary, Zhenjiang Sinotech Eco-Electroplating Development Limited (“**Zhenjiang Sinotech**”) in Zhenjiang, Jiangsu Province, the PRC. The Group operates a centralised plating sewage treatment plant, a centralised industrial sludge treatment plant and customised facilities equipped for the clients in the zone. The Eco-plating Specialised Zone has a total land area of approximately 180,000 square metres, in which, office building, factory buildings, and centralised filtering plants were built. The office building and centralised sewage filtering and sludge treatment plants were built with a total gross floor area of 19,560 square metres, and the factory buildings and facilities with a leasable total gross area of 101,034 (2023: 101,034) square metres that have been leased to various manufacturing clients carrying out their plating-related operations inside the Eco-plating Specialised Zone. There are now 22 factory buildings in the Eco-plating Specialised Zone currently leased by 33 (31 December 2023: 35) manufacturing clients as at 30 June 2024.

Investments in Plastic Materials Dyeing Business

The Group holds the equity interests in three manufacturing entities, which are principally engaged in plastic materials dyeing in the PRC as long-term equity investments. For the six months ended 30 June 2024, the profit margin (pre-tax) of Suzhou New Huamei Plastics Company Limited (“**Suzhou New Huamei**”), Danyang New Huamei Plastics Company Limited (“**Danyang New Huamei**”) and Qingdao Zhongxin Huamei Plastics Company Limited (“**Qingdao Huamei**”) were 2.6%, 2.7% and 5.9% (2023: 0.3%, 1.8% and 4.2%) respectively.

For the six months ended 30 June 2024, total dividends declared by Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei in relation to their results in 2023 in aggregate of approximately HK\$3,745,000 (2023: HK\$3,945,000) have been recognised and are expected to be distributed to the Group in the fourth quarter of the year.

Outlook

Entering 2024, the Group continued to encounter decrease in revenue caused by decreasing market pricing for the hazardous waste incineration treatment services in the Jiangsu Province, the PRC. Despite these challenges, the Group remains steadfast in its commitment to uphold national environmental protection standards and maintain its waste processing facilities, and dedicated to ensuring the timely renewal of hazardous waste operating licences for its subsidiaries, with minimal downtime for necessary adjustments to the incineration facilities.

As at 30 June 2024, the Group's four subsidiaries in the PRC maintained an incineration capacity of 135,400 metric tonnes per annum. The centralised sewage filtering system in the Eco-plating Specialised Industrial Zone and its sewage filtering plant has been kept fine-tuning to fulfil the production requirements of the current 33 professional plating clients inside the zone with leasable factory floor area of 101,034 square meters.

Despite the uncertainties and challenges in the business environment in the PRC, the Group will persist in its focus on environmental-related business. It will prudently explore opportunities for business restructuring and industrial upgrading to enhance the sustainability of its environmental operations. The Group will also consider reactivating certain loss-making units with operations temporarily ceased once the market conditions are reinvigorated.

The Group is committed to upholding corporate governance practices and environmental governance, ensuring the smooth and stable operation of the entire Group. Barring any unforeseeable uncertainties arising from the hazardous waste treatment segment and the local economies in the PRC, the Group remains optimistic about the future and is committed to improving its operations, returning to profitability, and maintaining a strong focus on environmental protection and waste management.

FINANCIAL REVIEW

A summary of the unaudited consolidated financial information of the Group for the six months ended 30 June 2024 together with corresponding figures for 2023 is presented as follows:

		For the six months ended 30 June		
		2024	2023	
	Note	HK\$'000	HK\$'000	Change %
Continuing operations				
Revenue from environmental treatment and disposal services for industrial and medical wastes	1(i)	105,297	138,808	-24.1
Revenue from environmental industrial sewage treatment, utilities, management services, and leasing out factory facilities	1(ii)	60,773	61,830	-1.7
Total revenue	1	166,070	200,638	-17.2
Average gross profit margin (in percentage)	2	12.0	12.6	-4.8
Other revenue	3	3,745	3,945	-5.1
Other income	4	3,564	2,518	+41.5
Reversal of impairment loss/(impairment loss) on trade receivables, net	5	1,927	(13)	–
Distribution costs	6	10,083	10,121	-0.4
Administrative expenses	7	22,071	22,833	-3.3
Other operating expenses	8	5,738	13,291	-56.8
Finance income	9	1,827	3,537	-48.3
Finance costs	10	914	2,051	-55.4
Share of results of associates	11	(5,145)	(4,424)	+16.3
Share of results of a joint venture	12	(5,890)	(6,110)	-3.6
Income tax	13	4,859	6,401	-24.1
Discontinued operation				
Loss from discontinued operation	14	–	(7,269)	–
Net loss for the period	15	(23,706)	(37,247)	-36.4
Loss attributable to owners of the Company	15	(20,248)	(33,165)	-38.9
Basic LPS (in HK cents)	15	(0.67)	(1.09)	-38.5
Diluted LPS (in HK cents)	15	(0.67)	(1.09)	-38.5
Adjusted EBITDA	16	29,221	26,794	+9.1

Notes:

1. Net decrease in total revenue from continuing operations for the six months ended 30 June 2024 was mainly attributable to a continued decline in average unit handling price for the environmental treatment and disposal services for industrial and medical wastes in Jiangsu Province, the PRC.
2. Decrease in gross profit margin of the Group for the six months ended 30 June 2024 was still mainly attributable to the decrease in unit handling price of hazardous waste treatment services.
3. Net decrease in other revenue for the six months ended 30 June 2024 was mainly attributable to the decrease in total dividends declared by the equity investments in the current period.
4. Net increase in other income for the six months ended 30 June 2024 was mainly attributable to the waiver concessions received from various services providers in the current period.
5. Reversal of impairment loss on trade receivables for the six months ended 30 June 2024 was mainly attributable to the improved recovery of trade receivables due over one year in the current period.
6. Net decrease in distribution costs for the six months ended 30 June 2024 was mainly attributable to the decrease in marketing agency fees in the current period.
7. Net decrease in administrative expenses for the six months ended 30 June 2024 was mainly attributable to the decrease in redundancy costs in the current period.
8. Net decrease in other operating expenses for the six months ended 30 June 2024 was mainly attributable to the development site clean-up cost not being re-incurred in the current period.
9. Net decrease in finance income for the six months ended 30 June 2024 was mainly attributable to the decrease in interest income from free cash flow in the current period.
10. Net decrease in finance costs for the six months ended 30 June 2024 was mainly attributable to the decrease in borrowings at higher interest rates in the current period.
11. Net increase in loss shared from the associates for the six months ended 30 June 2024 was mainly attributable to the continued decline in performance of an associate, NCIP, during the current period.
12. Net decrease in loss shared from the joint venture, Xinyu Rongkai, for the six months ended 30 June 2024 was mainly attributable to decrease in operating costs under temporary operation halt in the current period.

13. Net decrease in income tax for the six months ended 30 June 2024 was mainly attributable to the decline in taxable profits from the operations in the PRC in the current period.
14. Loss from discontinued operation (net of tax) restated for the previous period was mainly attributable to the one-off transaction on disposal of the Group's entire equity interest in Jiangsu Yu Xin Environmental Engineering Management Company Limited completed on 3 August 2023 and to recognise the de-consolidation of the discontinued operating segment of environmental equipment construction and installation services of the Group.
15. For the six months ended 30 June 2024, the decreases in losses of the Group; net losses attributable to owners of the Company and the decrease in loss per share ("LPS") were mainly attributable to:
 - (i) improved results of the environmental industrial sewage treatment services in the Eco-plating Specialised Zone; and
 - (ii) loss from discontinued operation did not recur in the current period.
16. The Company uses the adjusted (loss)/earnings for the reporting period excluding discontinued operation and the impact of interest, taxation, depreciation, amortisation, share of results of equity-accounted investees and non-recurring one-time items ("**Adjusted EBITDA**") to measure the operating results of the Group. Increase in Adjusted EBITDA for the six months ended 30 June 2024 was mainly attributable to the loss from discontinued operation which did not recur in the current period.

Seasonality of operations

For the year ended 31 December 2023, the operations of providing environmental treatment and disposal services for hazardous waste in Jiangsu Province has encountered a relatively higher demand in the first half of the year.

For the 12 months ended 30 June 2024, the integrated treatment and disposal services for handling hazardous waste reported a revenue of approximately HK\$239,160,000 for 96,485 metric tonnes waste being collected and disposed (12 months ended 30 June 2023: HK\$325,479,000 for 96,274 metric tonnes waste being collected and disposed) and pre-tax loss of approximately HK\$21,228,000 (12 months ended 30 June 2023: loss of HK\$23,130,000).

Capital expenditure

For the six months ended 30 June 2024, the Group incurred capital expenditure to increase property, plant and equipment (i) for the operating segment of environmental treatment and disposal for hazardous waste amounted to approximately HK\$1,220,000 (2023: HK\$7,041,000), and (ii) for the operating segment of industrial sewage and sludge treatment services and provision of facilities and utilities in the Eco-plating Specialised Zone amounted to approximately HK\$10,515,000 (2023: HK\$9,078,000).

Capital commitments

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

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Contracted for but not provided for:		
– Capital expenditure in respect of property, plant and equipment	31,455	44,084
– Capital contribution to an equity investment	15,976	15,976

Note:

On 28 July 2022, Zhenjiang New Universe (an indirect non-wholly owned subsidiary of the Company) entered into an investment agreement (the “**Investment Agreement**”) with the Zhenjiang Economic and Technological Development Zone Management Committee, pursuant to which Zhenjiang New Universe would further invest USD15,000,000 into the local expansion plan of Zhenjiang New Universe which comprises, among others, the building of a new incinerator with a daily capacity of 100 metric tonnes (33,000 metric tonnes per annum) of hazardous waste, the technical transformation of the existing incinerator with a daily capacity of 50 metric tonnes (16,500 metric tonnes per annum) of hazardous waste, and the optimisation of other facilities (the “**Expansion Plan**”). The Expansion Plan will be implemented on the land owned by Zhenjiang New Universe with a total area of 2,045 square metres. Pursuant to the Investment Agreement, NUET(JS) (the immediate holding company interested in 100% paid-up registered capital of Zhenjiang New Universe) shall inject additional capital in the amount of USD5,000,000 into Zhenjiang New Universe by the end of December 2022. Up to the date of this announcement, the additional capital of USD5,000,000 to be registered for Zhenjiang New Universe is still subject to the approval of the relevant departments of the PRC government.

Liquidity and financial resources

- (a) For the six months ended 30 June 2024, the Group financed its operations and made payment of debts and liabilities due timely and would finance its contracted capital commitments with internally generated cash flows and banking facilities.
- (b) The Group remained moderately stable in its financial position with equity attributable to owners of the Company amounted to approximately HK\$888,574,000 (31 December 2023: HK\$908,251,000) and consolidated total assets amounted to approximately HK\$1,279,187,000 (31 December 2023: HK\$1,301,424,000) as at 30 June 2024 respectively.

(c) The Company did not have any equity fund raising activity within the past twelve months immediately prior to the date of this announcement (2023: Nil).

(d) At the end of the reporting period, the Group had:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
(i) Cash and bank balances:		
in HK\$	43,923	50,706
in RMB	145,860	113,563
in USD	22,519	22,096
	<u>212,302</u>	<u>186,365</u>
(ii) Available unused unsecured banking facilities:		
in HK\$	35,600	35,600
in RMB	104,178	117,700
	<u>139,778</u>	<u>153,300</u>

(e) The Group monitors adjusted EBITDA as performance measure at a consolidated level and considers that this measure is relevant to an understanding of the Group's financial performance. Adjusted EBITDA is calculated by adjusting profit/loss for the reporting period to exclude discontinued operations and the impact of taxation, gross interest expense, depreciation, amortisation, share of results of equity-accounted investees and non-recurring one-time items.

Reconciliation of adjusted EBITDA to loss for the period

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period	(23,706)	(37,247)
Adjustments for:		
– Income tax	4,859	6,401
– Gross interest expense	914	2,051
– Depreciation of property, plant and equipment	34,500	36,154
– Depreciation of right-of-use assets	1,619	1,632
– Share of results of associated companies, net of tax	5,145	4,424
– Share of results of a joint venture, net of tax	5,890	6,110
– Loss from discontinued operation	–	7,269
Adjusted EBITDA	29,221	26,794

- (f) The Company monitors the financial performance of the equity-accounted investees through adjusted EBITDA by excluding the impact of the entity's capital, financing costs and tax entity structure. Set out below is the adjusted EBITDA each of the equity-accounted investees of the Company:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Adjusted EBITDA of associates:		
Zhenjiang Xin Qu	5,567	5,721
NCIP	(7,419)	(4,935)
Adjusted EBITDA of joint venture:		
Xinyu Rongkai	(1,918)	(1,406)

- (g) The Group monitors its liquidity through current ratio. The current ratio of the Group representing the ratio of the consolidated current assets to the consolidated current liabilities was 1.34 times as at 30 June 2024 (31 December 2023: 1.33 times).

- (h) The Group monitors its capital by reference to the gearing ratio. This ratio is calculated as the total interest-bearing borrowings (including lease liabilities) divided by total equity. The gearing ratio at the end of the reporting period was as follows:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Bank borrowings	53,700	44,000
Lease liabilities	164	332
Total interest-bearing borrowings	53,864	44,332
Total equity	987,806	1,013,359
Gearing ratio	5.5%	4.4%

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

- (i) At the end of the reporting period, the interest-bearing borrowings of the Group were as follows:

	<i>Note</i>	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Secured RMB bank borrowings	(i)	21,480	22,000
Unsecured RMB bank borrowings	(ii)	32,220	22,000
		53,700	44,000

Notes:

- (i) Bearing interest at a fixed rate of 3.50% (31 December 2023: 4.00%) per annum.
- (ii) Bearing interest at fixed rates ranged from 3.20% to 3.50% (31 December 2023: 3.20% to 3.35%) per annum.

Capital structure

There was no significant change to the capital structure of the Company as at 30 June 2024 as compared to that as at 31 December 2023.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

There were no significant investments nor material acquisition and disposal of subsidiaries, associates and joint ventures of the Company for the six months ended 30 June 2024.

Significant investments held and their performance

According to the valuation report prepared by an independent professional valuer, Colliers International (Hong Kong) Limited (“**Colliers International**”) (31 December 2023: Colliers International), the total fair value attributable to the Group’s interests in the equity investments in Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei as at 30 June 2024 was HK\$105,700,000 (31 December 2023: HK\$81,500,000).

	Group’s interest	EBIT		Fair value attributable to the Group		Fair value relative to the Group’s total assets	
		Six months ended 30 June 2024	30 June 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
		HK\$’000	HK\$’000	HK\$’000	HK\$’000		
Suzhou New Huamei	18.62%	3,347	2,561	12,200	7,000	1.0%	0.5%
Danyang New Huamei	24.50%	4,286	3,644	11,100	7,600	0.9%	0.6%
Qingdao Huamei	28.67%	18,538	10,812	82,400	66,900	6.4%	5.1%
		<u>26,171</u>	<u>17,017</u>	<u>105,700</u>	<u>81,500</u>	<u>8.3%</u>	<u>6.2%</u>

As at 30 June 2024, the fair value of the unlisted equity investment in Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei represented 1.0%, 0.9% and 6.4% (31 December 2023: 0.5%, 0.6% and 5.1%) of the Group’s total assets respectively.

Impairment testing on goodwill

Goodwill was recognised in a business combination completed in 2007 that is currently composed of Zhenjiang New Universe and Yancheng New Universe Solid Waste Disposal Company Limited being identified as a cash-generating unit. As at 30 June 2024, the assessment on the recoverable amount of this cash-generating unit (having excluded Taizhou New Universe Solid Waste Disposal Company Limited after its being disposed of by the Group completed on 29 October 2020), which is principally engaged in environmental waste treatment and disposal services mainly in Jiangsu Province, the PRC, was determined with reference to the valuation report prepared by Colliers International (31 December 2023: Colliers International), based on reasonable assumptions, including but not limited to the cash flows projection with a growth rate at 2% (31 December 2023: 2%) of that cash-generating unit operating at the licensed incineration and treatment capacity of handling 26,400 metric tonnes of hazardous industrial waste per annum and 4,100 (31 December 2023: 3,380) metric tonnes of regulated medical waste per annum, and the pre-tax discount rate of 15.75% (31 December 2023: 16.12%) which reflects the risks for the industries. No impairment loss to the goodwill was considered necessary for the six months ended 30 June 2024 (31 December 2023: Nil).

Impairment testing on interest in an associate, NCIP

As at 30 June 2024, the assessment on the recoverable amount of the Group's interest in NCIP, which is principally engaged in environmental waste treatment and disposal services in Nanjing, the capital city of Jiangsu Province, the PRC, was determined with reference to the valuation report prepared by Colliers International (31 December 2023: Colliers International), based on reasonable assumptions, including but not limited to the cash flows projection of NCIP with a growth rate at 2% (31 December 2023: 2%) of NCIP as cash-generating unit operating at the licensed incineration and treatment capacity of handling 38,000 metric tonnes of hazardous industrial waste per annum, and the pre-tax discount rate of 13.46% (31 December 2023: 15.57%) which reflects the risks for the business of NCIP. No impairment loss to the Group's interest in NCIP was considered necessary for the six months ended 30 June 2024 (31 December 2023: Nil).

Charges on assets

As at 30 June 2024, the following assets of the Group were pledged as collaterals for banking facilities granted by the current bankers of the Group.

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Carrying amount of collaterals:		
Property, plant and equipment	51,981	57,483
Land use rights	7,422	7,692
	59,403	65,175
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Secured liabilities:		
Secured bank borrowings	21,480	22,000

Contingent liabilities

Reference is made to the announcements of the Company dated 20 May 2022, 30 May 2022 and 7 February 2023 in relation to the legal proceedings in process against NUET(JS), an 82% indirectly owned subsidiary of the Company incorporated in Hong Kong. Two writs of summons issued by the Jiangsu Zhenjiang Intermediate People's Court (the "**Court**") in Mainland China were received by NUET(JS) in respect of the proceedings filed by two existing shareholders (each a "**Plaintiff**", namely Mr. YIN Yong Xiang* and Mr. SUN Jia Qing**) each holding 8% of the issued share capital of NUET(JS) on 20 May 2022 and 27 May 2022 respectively. Pursuant to each of the two writs of summons, each Plaintiff alleged that NUET(JS) should immediately pay each Plaintiff accrued and unpaid dividends of HK\$26,579,113.60 (approximately RMB22,477,608.92) and interest thereon in the amount of RMB4,057,752.68 (the "**Actions**"). In connection with the Actions and upon the application of each of the Plaintiffs, the Court had, in respect of each of the Plaintiffs' applications, granted an asset preservation order to preserve (the "**Asset Preservation**") 38.54% of the equity rights of Zhenjiang New Universe, a wholly-owned subsidiary of NUET(JS) established

in the PRC, with effect from 18 March 2022 and, unless extended, will last until the earlier of 17 March 2025 or until the Asset Preservation is lifted by the Court. Thereafter the first hearing of the two Actions took place and completed on 15 July 2022 at the Court, NUET(JS) has received two civil judgments of the Court dated 4 January 2023 and 5 January 2023 in respect of the two Actions respectively, in which, amongst others: (i) the claims of each of the Plaintiffs against NUET(JS) under the Actions were dismissed; and (ii) it was ordered that the two Plaintiffs bear the costs (including case acceptance fees and asset preservation fees) of their Actions respectively. Both Plaintiffs did not admit to the judgments of the Court and have each submitted a civil appeal (with both civil appeals dated 29 January 2023) to the Court, and in the civil appeals, the Plaintiffs have requested for (i) the revocation of the judgments of the Court; and (ii) NUET(JS) to bear the respective costs of the Actions. The civil appeals have been transferred from the Court to the Jiangsu Province High People's Court in the PRC, and the cases have been heard and pending further judgement to be made. As the Actions are still ongoing, the Asset Preservations will continue to remain in effect.

The Group has already recognised the amounts being claimed under the Actions as dividends payable to non-controlling interests of a subsidiary without fixed payment terms that were classified under other payables in the Group's financial statements but no provision has been recognised for any interest on those non-interest bearing dividend rights. As the Actions are still in process, the information usually required by HKAS 37 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it might prejudice the outcome of the proceedings. The Directors are of the opinion that the Actions and the Asset Preservations are not expected to have adverse impact to the normal operations of NUET(JS), Zhenjiang New Universe and any members of the Group.

Save as disclosed herein, there were no other significant contingent liabilities of the Group as at 30 June 2024 (31 December 2023: Nil).

Notes:

* Mr. YIN Yong Xiang is an existing director of the Group's subsidiary, Zhenjiang New Universe, and he is also the existing chairman of the boards of Danyang New Huamei and Qingdao Huamei.

** Mr. SUN Jia Qing is an existing director of the Group's subsidiary, Zhenjiang New Universe.

Employee information

As at 30 June 2024, the continuing operations of the Group had 425 (2023 as restated: 584) full-time employees, of which 16 (2023: 17) were based in Hong Kong, and 409 (2023 as restated: 567) in the PRC. For the six months ended 30 June 2024, staff costs, including the remuneration of the Directors and amount capitalised as inventories was HK\$38,398,000 (2023 as restated: HK\$43,436,000). The Group's remuneration policy emphasises motivation and performance of its employees, with a principle to strengthen the Group's competitiveness in the market and comply with the relevant statutory requirements of the PRC and Hong Kong. Employees and Directors were paid commensurate with the prevailing market standards, with other fringe benefits such as share option scheme, bonus, medical insurance, contributions to mandatory provident fund (in respect of Hong Kong employees only), the contributions to the statutory social insurance benefits in the PRC, including the endowment insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund (in respect of PRC employees only), and continuing development and training.

Foreign currency risk

The Group mainly operates in the PRC and most of the Group's transactions, assets and liabilities are denominated in RMB. The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against HK\$. Fluctuation of RMB against HK\$ is expected to be moderate to the Group, and the Group considers the foreign currency risk exposure is acceptable. The Group will review and monitor its currency exposure from time to time, and when appropriate hedge its currency risk.

The results of the Group's subsidiaries in the PRC are translated from RMB into HK\$ at the exchange rates approximating the rates ruling at the dates of the transactions. Statement of financial position items of the Group's subsidiaries in the PRC are translated from RMB into HK\$ at the closing rate ruling at the end of the reporting period. For the six months ended 30 June 2024, RMB depreciated on average relative to the HK\$ that resulted in an overall downside exchange difference on the translation from RMB to HK\$ for the financial statements of the subsidiaries, associates and joint venture in the PRC amounted approximately to HK\$19,839,000 (2023: downside exchange difference of HK\$37,329,000) that were recognised as other comprehensive income and accumulated separately in equity under the translation reserve of the Company. The accumulated exchange differences in the translation reserve will be reclassified to profit or loss when the interests in the relevant subsidiaries in the PRC being entirely or partially disposed of by the Group.

Interest rate risk

As at 30 June 2024, the bank borrowings of the Group were managed using a mix of fixed and floating interest rates in order to minimise interest rate risk, of which no bank borrowings were denominated in HK\$ that would be stipulated at floating interest rates (31 December 2023: Nil) and the bank borrowings denominated in RMB were stipulated at various fixed interest rates within the range of 3.20% to 3.50% (31 December 2023: 3.20% to 4.00%) per annum.

Credit risk

The Group's credit risk is primarily attributable to trade receivables, lease receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and bills receivables is limited because the counterparties are banks and financial institutions for which the Group considers to have low credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. As at 30 June 2024, the Group did not provide any guarantees which would expose the Group to credit risk.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 30 June 2024, 4.6% (31 December 2023: 1.3%) and 10.7% (31 December 2023: 5.6%) of the total trade and lease receivables was due from the Group's largest customer and the five largest customers respectively.

The Group measures loss allowances for trade and bills receivables (including lease receivables) at an amount equal to expected credit losses. Generally, trade and bills receivables (including lease receivables) are written-off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security over these balances.

Barring any unforeseeable further risks from the global and local economies affecting the market trends in the PRC, the Group considers that the allowance for credit losses amounted to approximately HK\$20,939,000 (31 December 2023: HK\$23,396,000) on the gross carrying amount of trade, lease and bills receivables amounted to approximately HK\$88,738,000 (31 December 2023: HK\$116,013,000) at a ratio of approximately 23.6% as at 30 June 2024 (31 December 2023: 20.17%) would be prudently adequate to contain the potential risks of losses.

Principal risks and uncertainties related to the Company's business operations

During the current reporting period, the Group has encountered continued decline in revenue and loss arisen from the operating segment of providing integrated treatment and disposal services for hazardous industrial waste in the PRC. The demanding lower pricing of hazardous waste discharged from manufacturing clients might be owing to the adjustment of the local economic conditions in the PRC, especially in the Jiangsu Province, that might affect the stable operating cashflows of the Group. The uncertainties and challenges met by the local manufacturing and chemical industries might create pressure on hazardous waste disposal pricing offered by specific client base of the Group. Notwithstanding the challenge, the Group will continue its environmental-related operations, strengthen its business strategy of different geographical market penetration, prudently explore for business restructuring and industrial upgrading, and thereby to reduce its dependency and further investment on the specific markets.

Save as disclosed therein, as at 30 June 2024, there was no significant change to the principal risks and uncertainties related to the Company's business operations as disclosed in the annual report of the Company for the year ended 31 December 2023.

DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (2023: Nil).

The final dividend related to the financial year ended 31 December 2023 proposed on 22 March 2024 at HK\$0.0016 per ordinary share of the Company totally amounting to approximately HK\$4,857,000 has been recognised as a liability as at 30 June 2024 after the said final dividend was duly approved by the shareholders of the Company (the "Shareholders") at the annual general meeting on 24 May 2024 and has been paid on 31 July 2024.

CHANGE IN DIRECTORS' INFORMATION

Information on Directors

For the six months ended 30 June 2024, there were no significant changes in Directors' information, and there has been no other significant change in details of the Directors' information since the date of the last annual report of the Company for the year ended 31 December 2023.

There is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

Information on management

For the six months ended 30 June 2024, there was no significant change in details of the management team members of the Company since the date of the last annual report of the Company for the year ended 31 December 2023.

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

Neither the Company, nor any of its subsidiaries purchased, sold, or redeemed any of the Company’s listed securities during the six months ended 30 June 2024.

CHANGE IN CONSTITUTIONAL DOCUMENT

During the reporting period, the amendments for the Articles of Association of the Company (the “**Articles**”) were approved by the Shareholders at the annual general meeting of the Company held on 24 May 2024. The relevant amendments mainly update and bring the Articles in line with the amendments to the Listing Rules in relation to the dissemination of corporate communication to shareholders by way of electronic means. For the full text of the amended Articles, please refer to the website of Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company at www.nuigl.com.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after the six months ended 30 June 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Directors of the Company and the management of the Group are committed to upholding good corporate governance practices and procedures. The Company believes that maintenance of high standard of business ethics and good corporate governance is essential for effective management, healthy business growth and fostering a contemporary corporate culture, which drives the Group to growing sustainably and safeguarding the interests of the Shareholders.

CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the Corporate Governance Code set out in Part 2 of Appendix C1 (“**CG Code**”) to the Listing Rules throughout the six months ended 30 June 2024, and the Directors confirmed that they were not aware of any deviation from the CG Code during the period then ended, except for the code provision C.2.1.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. For the six months ended 30 June 2024, Mr. XI Yu has assumed the roles of both chairman of the Board (“**Chairman**”) and the chief executive officer of the Company (“**CEO**”) that constitutes a deviation from code provision C.2.1 of the CG Code. After evaluation of the current situation of the Group and taking into account of the experience and performance of Mr. XI Yu, the Board is of the opinion that it is appropriate and in the best interest of the Company at the present stage to vest the roles of the Chairman and the CEO of the Company on the same person as it helps to facilitate the execution of the Group’s business strategies and maximises the effectiveness of its operation. The Board also considers that: (i) the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and CEO; (ii) Mr. XI Yu as the Chairman and CEO is fully accountable to the Shareholders and contributes to the Board and the Group on all top level and strategic decisions and is responsible for ensuring that all Directors act in the best interests of the Shareholders; and (iii) this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and will enable the Company to make and implement decisions promptly and effectively. However, the Board will continue to review and consider splitting the role of Chairman and CEO at a time when it is appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Director’s securities transactions in the securities of the Company. 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 as set out in the Model Code throughout the six months ended 30 June 2024.

CONNECTED TRANSACTIONS

There was no connected transactions (defined under the Listing Rules) which were discloseable in the current reporting period or any time during the six months ended 30 June 2024.

PROVISION OF FINANCIAL ASSISTANCE AND GUARANTEES TO AN AFFILIATED COMPANY

On 25 September 2020, the Company and the joint venturer, as the joint guarantors, entered into the guarantee agreement with a bank in the PRC to jointly guarantee the repayment obligations of Xinyu Rongkai (a 65% indirectly owned joint venture of the Company and being accounted for using equity method) in relation to the bank loan facilities in a total amount of RMB120,000,000 (approximately HK\$128,880,000) and the guarantee is effective until 31 December 2027, for the purpose of financing the construction of the integrated hazardous waste treatment project undertaken by Xinyu Rongkai at Liuzhou, Guangxi Province, the PRC.

On 7 December 2022, the Company as a guarantor, entered into a guarantee agreement with another bank in the PRC to guarantee the repayment obligations amounted to RMB5,850,000 (approximately HK\$6,283,000) based on 65% equity interest in Xinyu Rongkai for a short-term banking facilities in a total amount of RMB9,000,000 (approximately HK\$9,666,000) and the guarantee has been extended to 4 December 2027, for general working capital purpose of Xinyu Rongkai.

The banking facilities of Xinyu Rongkai guaranteed by the Company amounting to 65% of RMB129,000,000, approximately HK\$138,546,000 (31 December 2023: RMB129,000,000, approximately HK\$141,900,000) of which RMB125,100,000, approximately HK\$134,357,000 (31 December 2023: RMB125,100,000, approximately HK\$137,610,000) was utilised, and loans of approximately RMB61,648,000, approximately HK\$66,209,000 (31 December 2023: RMB63,148,000, approximately HK\$69,462,000) were outstanding as at 30 June 2024 of which RMB53,648,000 is repayable on 21 June 2025 and bearing interest at fixed rate of 4.35% (31 December 2023: 4.35%) per annum and RMB8,000,000 is repayable on 4 December 2024 and bearing interest at fixed rate of 6.00% (31 December 2023: 6.00%) per annum.

On 19 June 2023, New Universe International Group Limited (a wholly owned subsidiary of the Company which directly holds 65% equity interest in Xinyu Rongkai) as Lender A, the joint venturer, (Guangxi Rongkai Huayuan Electroplating Industrial Park Investment Company Limited*, which directly holds 35% equity interest in Xinyu Rongkai) as Lender B, and Xinyu Rongkai as the borrower have jointly entered into a loan agreement (the “**JV Loan Agreement**”) for a loan of RMB15,500,000, approximately HK\$16,647,000, which is unsecured, bearing interest at 4.05% per annum and repayable on 20 June 2025. Pursuant to the JV Loan Agreement, in proportion to the respective shareholdings, Lender A agreed to lend RMB10,075,000, approximately HK\$10,821,000 and Lender B agreed to lend RMB5,425,000, approximately HK\$5,826,000 to Xinyu Rongkai respectively. The loan has been drawn down by Xinyu Rongkai on 20 June 2023 and used for the repayment of bank loan instalment and interest due on 21 June 2023. As at 30 June 2024, the loan to Xinyu Rongkai pursuant to the JV Loan Agreement from the Group was RMB10,075,000, approximately HK\$10,821,000 (31 December 2023: RMB10,075,000, approximately HK\$11,083,000).

During the six months ended 30 June 2024, Jiangsu Xin Yu Environmental Technologies Limited* (a wholly owned subsidiary of the Company) has made advances to Xinyu Rongkai, for its general operating purpose, which are unsecured, bearing interest at fixed rates ranging from 3.55% to 4.05% per annum and are subject to agreements with repayable on demand clause. As at 30 June 2024, such advances due from Xinyu Rongkai to the Group was approximately HK\$16,823,000 (31 December 2023: HK\$13,435,000).

The following table summarised the financial information relating to the Group’s joint venture at the end of the reporting period:

	30 June 2024 HK\$’000	31 December 2023 HK\$’000
Gross amounts of the joint venture’s		
Non-current assets	151,441	160,707
Current assets	415	778
Current liabilities	(110,214)	(87,316)
Non-current liabilities	(16,647)	(39,399)
Equity	24,995	34,770
The Group’s attributable interest in the joint venture		
Gross amount of net assets of the joint venture	24,995	34,770
The Group’s share of net assets of the joint venture	16,247	22,600
The Group’s share of shareholders’ loan	10,821	11,083
Carrying amount of net assets of the joint venture	27,068	33,683

DIRECTORS’ SERVICE CONTRACTS

None of the Directors has service contract with Company that is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS’ INTERESTS IN CONTRACTS OF SIGNIFICANCE

As at 30 June 2024 and any time during the six months then ended, transactions, arrangements, or contracts subsisted, of which certain Directors had interests that were deemed significant to the business of the Group are set out as follows:

- (a) Mr. XI Yu and Ms. CHEUNG Siu Ling, the executive Directors, are also the directors of the landlord, Sun Ngai International Investment Limited (“**Sun Ngai**”) to the tenancy agreement dated 21 July 2023 entered into by Smartech Services Limited (“**Smartech Services**”, an indirectly 100% owned subsidiary of the Company) as tenant to lease three office units at Rooms 2109 to 2111, Telford House, 16 Wang Hoi Road, Kowloon Bay, Hong Kong (“**Office Premises**”) for the period from 1 August 2023 to 31 July 2024 at a monthly rental of HK\$80,000.

- (b) A renewed tenancy agreement dated 26 July 2024 was entered into between Sun Ngai as landlord and Smartech Services as tenant for leasing the Office Premises for the period from 1 August 2024 to 31 July 2025 at a monthly rental of HK\$80,000.
- (c) For the six months ended 30 June 2024, total rentals paid by Smartech Services to Sun Ngai were HK\$480,000 (2023: HK\$480,000).

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. The afore-mentioned tenancy agreement entered into between the wholly owned subsidiary of the Group, Smartech Services and Sun Ngai were de minimis transactions exempted under rule 14A.76(1)(a) of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

Ms. LIU Yu Jie was appointed as an executive Director with effect from 9 June 2015, who has investments in four companies engaging in the operation of hazardous waste projects in four cities in the PRC, of which she has a controlling stake in one of the four said companies. As the permission operating licence to operate hazardous wastes in each of the four said cities is exclusive, and the Group does not have any such operations in those cities, the Board considers that the said investments of Ms. LIU Yu Jie do not compete with the interests of the Group.

Save as disclosed therein, during the six months ended 30 June 2024, the Directors were not aware of any business or interest of the Directors or any substantial shareholder of the Company and their respective associates that had competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors during the six months ended 30 June 2024, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group pays high regards to legal and regulatory requirements in formulating its policies and practices. The Company has engaged financial advisers to advise it on the compliance with the Listing Rules and legal advisers to advise it on the compliance with the PRC Laws and laws of Hong Kong. Legal and other professional advisers would be engaged to ensure the Group operates in accordance with applicable laws and regulations for major corporate events of the Company.

During the six months ended 30 June 2024, the Group was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprising three independent non-executive Directors, Mr. YANG Harry, who chairs the Audit Committee, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred, has reviewed with the management the unaudited consolidated financial results and financial information of the Company for the six months ended 30 June 2024.

INDEPENDENT REVIEW OF INTERIM FINANCIAL RESULTS

The condensed consolidated financial statements for the six months ended 30 June 2024 of the Company (“**Interim Financial Report**”) were unaudited, but have been reviewed in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, by the Company’s independent auditor, Crowe (HK) CPA Limited, and nothing has come to their attention that causes them to believe that the Interim Financial Report is not prepared, in all material aspects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

This interim results announcement is published on the websites of the Company (www.nuigl.com) and the Stock Exchange (www.hkexnews.hk). The Interim Financial Report containing all the information required by the Listing Rules will be published on the afore-mentioned websites in due course.

By order of the Board
New Universe Environmental Group Limited
XI Yu
Chairman and Chief Executive Officer

Hong Kong, 21 August 2024

As at the date of this announcement, the Board comprises five executive Directors: Mr. XI Yu (Chairman and Chief Executive Officer), Ms. CHEUNG Siu Ling, Ms. JIANG Qian, Ms. LIU Yu Jie and Mr. HON Wa Fai; one non-executive Director: Ms. XI Man Shan Erica; and three independent non-executive Directors: Mr. YUEN Kim Hung, Michael, Mr. HO Yau Hong, Alfred and Mr. YANG Harry.

* *For identification purpose only*