

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS	2024	2023
	HK\$'000	HK\$'000
Total revenue from continuing operations	349,416	405,612
Adjusted EBITDA	72,783	82,450
Loss attributable to shareholders	(26,335)	(33,118)
Basic and diluted loss per share <i>(in HK cents)</i>	(0.87)	(1.09)
Final dividend per share <i>(in HK cents)</i>	0.16	0.16
Equity attributable to shareholders at 31 December	869,053	908,251
Bank borrowings as 31 December	44,752	44,000
Cash and cash equivalents at 31 December	220,823	186,365

ANNUAL RESULTS 2024

The board (the “**Board**”) of directors (the “**Directors**”) of New Universe Environmental Group Limited (the “**Company**”) hereby announces the audited consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations			
Revenue	3(a)	349,416	405,612
Cost of sales		<u>(294,585)</u>	<u>(340,195)</u>
Gross profit		54,831	65,417
Other revenue	4	3,745	3,945
Other income	5	5,705	6,781
Distribution costs		(17,585)	(19,263)
Administrative expenses		(43,699)	(49,771)
Research and development expenses		(5,716)	(6,055)
Reversal of impairment loss on trade receivables, net		5,009	15,672
Other operating expenses	7	<u>(7,031)</u>	<u>(15,451)</u>
Operating (loss)/profit		(4,741)	1,275
Finance income	6	4,550	5,469
Finance costs	6	<u>(1,811)</u>	<u>(3,780)</u>
Finance income, net	6	2,739	1,689
Share of results of associates		(9,445)	(9,416)
Share of results of a joint venture		<u>(10,660)</u>	<u>(11,726)</u>
Loss before taxation	7	(22,107)	(18,178)
Income tax	8	<u>(9,498)</u>	<u>(13,053)</u>
Loss from continuing operations		<u>(31,605)</u>	<u>(31,231)</u>
Discontinued operation			
Loss from discontinued operation		<u>–</u>	<u>(4,536)</u>
Loss for the year		<u>(31,605)</u>	<u>(35,767)</u>

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Attributable to:			
Owners of the Company		(26,335)	(33,118)
Non-controlling interests		(5,270)	(2,649)
		<u>(31,605)</u>	<u>(35,767)</u>
Loss attributable to owners of the Company:			
– From continuing operations		(26,335)	(28,582)
– From discontinued operation		–	(4,536)
		<u>(26,335)</u>	<u>(33,118)</u>
Loss per share			
	9	<i>HK cents</i>	<i>HK cents</i>
From continuing and discontinued operations Basic and diluted		<u>(0.87)</u>	<u>(1.09)</u>
From continuing operations Basic and diluted		<u>(0.87)</u>	<u>(0.94)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	<u>(31,605)</u>	<u>(35,767)</u>
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	(22,390)	(16,778)
– on translation of financial statements of overseas associates	(4,389)	(3,931)
– on translation of financial statements of an overseas joint venture	(925)	(887)
Release of translation reserve		
– upon disposal of discontinued operation	–	352
<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)	16,900	11,200
Deferred tax effect relating to changes in fair value of equity investments	(860)	(2,170)
	<u> </u>	<u> </u>
Other comprehensive income for the year, net of income tax	<u>(11,664)</u>	<u>(12,214)</u>
Total comprehensive loss for the year	<u><u>(43,269)</u></u>	<u><u>(47,981)</u></u>
Attributable to:		
Owners of the Company	(34,694)	(42,379)
Non-controlling interests	(8,575)	(5,602)
	<u> </u>	<u> </u>
	<u><u>(43,269)</u></u>	<u><u>(47,981)</u></u>
Total comprehensive loss for the year attributable to owners of the Company arises from:		
Continuing operations	(34,694)	(38,195)
Discontinued operation	–	(4,184)
	<u> </u>	<u> </u>
	<u><u>(34,694)</u></u>	<u><u>(42,379)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		516,681	578,436
Right-of-use assets		93,767	98,547
Goodwill		33,000	33,000
Interests in associates		125,065	138,899
Interest in a joint venture		22,098	33,683
Equity investments at fair value through other comprehensive income		98,400	81,500
Deferred tax assets		4,415	5,846
		<hr/> 893,426 <hr/>	<hr/> 969,911 <hr/>
Current assets			
Inventories		3,876	4,936
Trade and bills receivables	11	67,973	92,617
Prepayments, deposits and other receivables		43,317	32,497
Pledged bank deposits		4,304	731
Cash and cash equivalents		220,823	186,365
		<hr/> 340,293 <hr/>	<hr/> 317,146 <hr/>
Assets classified as held for sale		13,896	14,367
		<hr/> 354,189 <hr/>	<hr/> 331,513 <hr/>
Current liabilities			
Bank borrowings	12	44,752	44,000
Trade and bills payables	13	38,613	59,392
Accrued liabilities and other payables		155,167	137,374
Lease liabilities		–	332
Contract liabilities		4,603	4,272
Deferred government grants		1,595	1,881
Income tax payable		2,132	2,729
		<hr/> 246,862 <hr/>	<hr/> 249,980 <hr/>
Net current assets		<hr/> 107,327 <hr/>	<hr/> 81,533 <hr/>
Total assets		<hr/> 1,247,615 <hr/>	<hr/> 1,301,424 <hr/>
Total assets less current liabilities		<hr/> 1,000,753 <hr/>	<hr/> 1,051,444 <hr/>

	<i>Note</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current liabilities			
Deferred government grants		6,715	8,360
Deferred tax liabilities		29,588	29,725
		<u>36,303</u>	<u>38,085</u>
Total liabilities		<u>283,165</u>	<u>288,065</u>
Net assets		<u>964,450</u>	<u>1,013,359</u>
Capital and reserves			
Share capital		30,357	30,357
Reserves		838,696	877,894
		<u>869,053</u>	<u>908,251</u>
Equity attributable to owners of the Company		95,397	105,108
Non-controlling interests		<u>964,450</u>	<u>1,013,359</u>
Total equity		<u>964,450</u>	<u>1,013,359</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 GENERAL INFORMATION

- (a) New Universe Environmental Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 12 November 1999 as an exempt company with limited liability under the Companies Act, Cap. 22 of the Cayman Islands. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Rooms 2110-2112, 21/F, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The Company’s issued shares have been initially listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 18 May 2000. With effect from 1 August 2016, the listing of the shares of the Company was transferred from the GEM to the Main Board of the Stock Exchange.
- (c) These consolidated financial statements 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 (“**Mainland China**” or the “**PRC**”) is Renminbi (“**RMB**”). As the Company’s shares are listed in Hong Kong where most of its investors are located, the Directors consider that it is more appropriate to present the consolidated financial statements in HK\$.
- (d) These consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 were approved for issue by the Board on 21 March 2025.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries and the Group's interests in associates and a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for the following:

- Equity investments – measured at fair value
- Assets classified as held for sale – measured at the lower of carrying amount and fair value less costs to sell

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are consistent with those in previous year.

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting year:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenant
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKAS 16	Lease Liability in a Sale and Leaseback

The application of the above amendments to HKFRSs has had no material impact on the Group's financial performance and position for the current and prior periods and/or disclosures set out in these financial statements:

Amendments to HKAS 1 – Classification of liabilities as Current and Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenant

The amendments impact the classification of a liability as current or non-current and have been applied retrospectively as a package. Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

The amendments do not result in a change in the classification of the Group's borrowings.

Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments have no material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

Amendments to HKAS 16 – Lease Liability in a Sale and Leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of the initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting year.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents the revenue from hazardous waste incineration and landfill services, industrial sewage treatment services and providing related utilities and management services, and from providing factory facilities.

An operating segment regarding the environmental equipment construction and installation services was discontinued for the year ended 31 December 2023.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers		
Disaggregation by service lines		
– Revenue from hazardous waste incineration and landfill services	224,254	272,671
– Revenue from industrial sewage treatment services and providing related utilities and management services	95,865	100,481
	<u>320,119</u>	<u>373,152</u>
Revenue from other sources		
– Leasing income from providing factory facilities	29,297	32,460
	<u>349,416</u>	<u>405,612</u>
Total revenue from continuing operations	<u><u>349,416</u></u>	<u><u>405,612</u></u>
Timing of revenue recognition in respect of contracts with customers		
– At a point in time	224,254	272,671
– Over time	95,865	100,481
	<u>320,119</u>	<u>373,152</u>
	<u><u>320,119</u></u>	<u><u>373,152</u></u>

For the year ended 31 December 2024, there was no customer with whom transactions have exceeded 10% of the Group's revenue (2023: Nil).

The Group has applied practical expedient of HKFRS 15, Revenue from Contracts with Customers to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the end of the reporting period as the performance obligation is part of a contract that has an original expected duration of one year or less.

(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, management services and provision of related facilities and utilities in an eco-plating specialised zone; and
- (iii) investments in plastic materials dyeing business.

(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 attributable to each reportable segment on the following bases:

- (i) Segment assets include all tangible assets, goodwill, interests in associates and a joint venture, and current assets with the exception of intercompany receivables and other unallocated head office and corporate assets. Segment liabilities include current taxation, deferred tax liabilities, trade payables, lease liabilities, other payables and accrued expenses attributable to the activities of the individual segments and borrowings managed directly by the segments, with the exception of intercompany payables and other unallocated head office and corporate liabilities.
- (ii) Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.
- (iii) The measure used for reporting segment profit is "reportable segment results". To arrive at "reportable segment results", the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as head office or corporate administration costs. Taxation charge is not allocated to reportable segments.
- (iv) In addition to receiving segment information concerning "reportable segment results", management is provided with segment information including revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

For the year ended 31 December 2024

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	224,254	125,162	-	349,416	-	349,416
Other revenue	-	-	3,745	3,745	-	3,745
Reportable segment revenue	224,254	125,162	3,745	353,161	-	353,161
Reportable segment results	(36,280)	25,852	3,330	(7,098)	-	(7,098)
Other income	4,427	1,278	-	5,705	-	5,705
Finance income	4,205	(128)	16	4,093	457	4,550
Finance costs	(1,811)	-	-	(1,811)	-	(1,811)
Depreciation and amortisation	(52,312)	(20,277)	-	(72,589)	(385)	(72,974)
Reversal of impairment loss on trade receivables, net	4,147	862	-	5,009	-	5,009
Reportable segment assets	817,041	305,189	98,754	1,220,984	26,631	1,247,615
Additions to non-current segment assets	2,986	23,149	-	26,135	1,066	27,201
Reportable segment liabilities	208,690	64,444	7,181	280,315	2,850	283,165

For the year ended 31 December 2023

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	272,671	132,941	-	405,612	-	405,612
Other revenue	-	-	3,945	3,945	-	3,945
Reportable segment revenue	272,671	132,941	3,945	409,557	-	409,557
Reportable segment results	(20,324)	15,776	3,284	(1,264)	-	(1,264)
Other income	5,138	1,643	-	6,781	-	6,781
Finance income	5,112	(214)	(243)	4,655	814	5,469
Finance costs	(2,328)	(688)	-	(3,016)	(764)	(3,780)
Depreciation and amortisation	(54,097)	(21,258)	-	(75,355)	(351)	(75,706)
Reversal of impairment loss/(impairment loss) on trade receivables, net	20,737	(5,065)	-	15,672	-	15,672
Reportable segment assets	906,488	290,110	81,881	1,278,479	22,945	1,301,424
Additions to non-current segment assets	14,152	5,974	-	20,126	6	20,132
Reportable segment liabilities	228,076	51,037	6,321	285,434	2,631	288,065

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Revenue		
Consolidated revenue	349,416	405,612
Elimination of inter-segment revenue	–	–
Other revenue	<u>3,745</u>	<u>3,945</u>
Reportable segment revenue	<u><u>353,161</u></u>	<u><u>409,557</u></u>
Loss from continuing operations		
Reportable segment loss	(7,098)	(1,264)
Unallocated head office and corporate expenses	<u>(15,009)</u>	<u>(16,914)</u>
Consolidated loss before taxation from continuing operations	<u><u>(22,107)</u></u>	<u><u>(18,178)</u></u>
Assets		
Reportable segment assets	1,220,984	1,278,479
Unallocated head office and corporate assets	<u>26,631</u>	<u>22,945</u>
Consolidated total assets	<u><u>1,247,615</u></u>	<u><u>1,301,424</u></u>
Liabilities		
Reportable segment liabilities	280,315	285,434
Unallocated head office and corporate liabilities	<u>2,850</u>	<u>2,631</u>
Consolidated total liabilities	<u><u>283,165</u></u>	<u><u>288,065</u></u>

(e) **Geographic 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.

4 OTHER REVENUE

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividend income from equity investments at fair value through other comprehensive income	<u><u>3,745</u></u>	<u><u>3,945</u></u>

5 OTHER INCOME

Continuing operations

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Waiver concessions received from service providers		3,082	–
Refund of value-added tax	(a)	62	1,482
Government grants	(b)	296	2,226
Release of deferred government grants		1,623	2,017
Sundry income		642	1,056
		<u>5,705</u>	<u>6,781</u>

Notes:

- (a) Pursuant to the tax rules and regulations in the PRC, subsidiaries of the Group that engage in the environmental operations, comply with the requirements in the PRC and pay Value-added Tax (“VAT”) at 6% (2023: 6%) on invoiced income are entitled to a refund up to 70% of the net VAT paid. 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.
- (b) There were no unfulfilled conditions and other contingencies attached to the receipt of these grants.

6 FINANCE INCOME AND COSTS

Continuing operations

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income from:		
Interest income on bank deposits	4,555	4,993
Net foreign exchange (loss)/gain	(5)	476
Total finance income	<u>4,550</u>	<u>5,469</u>
Interest expenses on:		
Bank borrowings	(1,802)	(3,756)
Lease liabilities	(9)	(24)
Total finance costs	<u>(1,811)</u>	<u>(3,780)</u>
Net finance income	<u>2,739</u>	<u>1,689</u>

7 LOSS BEFORE TAXATION

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration:		
– audit services	1,350	1,350
– non-audit services	210	210
	<u>1,560</u>	<u>1,560</u>
Depreciation of property, plant and equipment	<u>69,743</u>	<u>72,428</u>
Depreciation of right-of-use assets	<u>3,231</u>	<u>3,278</u>
Operating lease charges: minimum lease payments		
– land and buildings in Hong Kong	1,080	1,080
– landfill in the PRC	108	112
	<u>1,188</u>	<u>1,192</u>
Other operating expenses:		
Net loss on disposal of property, plant and equipment	1,083	1,301
Costs on cleanup of development site	–	3,011
Costs on litigations and non-compliance incidents	707	4,645
Legal and professional expenses	4,208	4,523
Other expenses	1,033	1,971
	<u>7,031</u>	<u>15,451</u>
Staff costs:		
– Directors' emoluments	4,024	4,107
– salaries, wages and other benefits of employees other than directors	56,957	72,147
– contributions to retirement benefits schemes	10,240	12,529
– equity-settled share-based payment expenses	353	489
Total staff costs	<u>71,574</u>	<u>89,272</u>
Cost of sales (<i>note</i>)	<u>294,585</u>	<u>340,195</u>

Note:

Included in cost of sales were raw materials in the amount of HK\$33,938,000 (2023: HK\$46,825,000), water and electricity in the amount of HK\$43,087,000 (2023: HK\$40,112,000), staff costs of HK\$34,845,000 (2023: HK\$47,136,000), and depreciation of HK\$67,622,000 (2023: HK\$70,107,000), and of which staff costs and depreciation have already been included in the respective total amounts disclosed above.

8 INCOME TAX

Continuing operations

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax		
PRC Corporate Income Tax	8,207	9,077
Under-provision in respect of prior years	61	491
PRC Dividend Withholding Tax	967	2,059
	<u>9,235</u>	<u>11,627</u>
Deferred tax		
PRC Dividend Withholding Tax	(967)	(2,059)
Origination and reversal of other temporary differences	1,230	3,485
	<u>9,498</u>	<u>13,053</u>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgins Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgins Islands.
- (ii) Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the years. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the years ended 31 December 2024 and 2023.
- (iii) The Company's subsidiaries in 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 PRC that would be entitled to enjoy a preferential CIT at the rate of 15% (2023: 15%). Dividend distribution from subsidiaries in PRC to the holding companies in Hong Kong is subject to a reduced withholding tax rate of 5% (2023: 5%),

9 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 and the weighted average number of ordinary shares of the Company in issue during the year as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss attributable to owners of the Company, as used in the calculation of basic and diluted loss per share:		
Loss from continuing operations	26,335	28,582
Loss from discontinued operation	—	4,536
	<u>26,335</u>	<u>33,118</u>
<i>Weighted average number of ordinary shares</i>		
	2024	2023
Ordinary shares in issue at 1 January and 31 December	<u>3,035,697,018</u>	<u>3,035,697,018</u>

(b) Diluted loss per share

No assumption was made for the exercise of the share options since the assumed exercise of share options would result in a decrease in loss per share.

10 DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend proposed after the end of the reporting period of HK\$0.0016 (2023: HK\$0.0016) per share	<u>4,857</u>	<u>4,857</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

(b) **Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year of HK\$0.0016 (2023: HK\$0.0038) per share	<u>4,857</u>	<u>11,536</u>

11 TRADE AND BILLS RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	63,639	73,337
Lease receivables	11,809	15,853
Bills receivables	<u>10,194</u>	<u>26,823</u>
	85,642	116,013
Less: allowance for credit loss	<u>(17,669)</u>	<u>(23,396)</u>
	<u>67,973</u>	<u>92,617</u>

Ageing analysis

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	35,782	57,669
31 days to 60 days	9,449	9,236
61 days to 90 days	6,511	10,694
91 days to 180 days	6,761	6,305
181 days to 360 days	2,271	3,738
Over 1 year	<u>7,199</u>	<u>4,975</u>
	<u>67,973</u>	<u>92,617</u>

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 the environmental industrial waste, sewage and sludge treatment services and its lessees, and an extended average credit period of 180 days to the customers of regulated medical waste treatment from hospitals and medical clinics.

12 BANK BORROWINGS

At the end of the reporting period, interest-bearing bank borrowings of the Group were repayable as follows:

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Current liabilities			
– Secured bank borrowings	(a)	21,280	22,000
– Unsecured bank borrowings	(b)	23,472	22,000
		44,752	44,000

At the end of the reporting period, the carrying amounts of the Group's bank borrowings were denominated in the following currency:

	2024 HK\$'000	2023 HK\$'000
Renminbi	44,752	44,000

Notes:

- (a) Secured bank borrowings carry fixed interest rates ranged from 3.50% to 4.00% (2023: 3.90% to 4.25%) per annum.
- (b) Unsecured bank borrowings carry interest rates ranged from 3.20% to 3.50% (2023: 3.20% to 7.99%) per annum.
- (c) As at 31 December 2024, the secured bank borrowings were secured by pledge of land use rights and certain property, plant and equipment of approximately HK\$7,266,000 (2023: HK\$7,692,000) and HK\$47,392,000 (2023: HK\$57,483,000) respectively.
- (d) The Group's short-term loan facilities amounting to HK\$96,672,000 (2023: HK\$197,300,000), of which HK\$44,752,000 (2023: HK\$44,000,000) has been utilised as at the end of the reporting period.

13 TRADE AND BILLS PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	33,612	59,392
Bills payables	5,001	–
	<u>38,613</u>	<u>59,392</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	9,485	12,740
31 days to 60 days	4,344	5,422
61 days to 90 days	3,384	3,022
Over 91 days	16,399	38,208
	<u>33,612</u>	<u>59,392</u>

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

14 CONTINGENCIES

(a) Legal contingencies

Legal proceedings were in process against New Universe Environmental Technologies (Jiang Su) Limited (“**NUET(JS)**”), an 82% indirectly owned subsidiary of the Company incorporated in Hong Kong. Two existing shareholders (each a “**Plaintiff**”, Mr. YIN Yong Xiang and Mr. SUN Jia Qing, both are the existing directors of Zhenjiang New Universe Solid Waste Disposal Company Limited (“**Zhenjiang New Universe**”) and each holding 8% of the issued share capital of NUET(JS)) actioned separately against NUET(JS) and alleged that NUET(JS) should immediately pay each Plaintiff accrued and unpaid dividends of approximately HK\$26,579,000 (approximately RMB22,478,000) and interest thereon in the amount of approximately RMB4,058,000 (the “**Actions**”). In connection with the Actions, Jiangsu Zhenjiang Intermediate People’s Court (the “**Court**”) had approved each of the Plaintiffs’ applications to grant each of them 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) 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. Although the Court handed down two civil judgements dated 4 January 2023 and 5 January 2023 in respect of the two Actions respectively, both Plaintiffs did not admit to the judgements of the Court and have each submitted a civil appeal both dated 29 January 2023 to request for (i) the revocation of the judgements of the Court; and (ii) NUET(JS) to bear the respective judged costs of the Actions.

The civil appeals have been heard in the Jiangsu Province High People's Court in Mainland China and pending judgement. As such 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 under accrued liabilities and other payables but no provision has been recognised for any interest claimed under the Actions on those accumulative and rolling amounts payable to the non-controlling interests without fixed terms of payment.

As at 31 December 2024, the amounts accrued in the consolidated financial statements for both Plaintiffs were in aggregate of approximately HK\$51,080,000 (2023: HK\$51,080,000).

(b) Environmental contingencies

For the year ended 31 December 2024, the Group's subsidiaries have provided regulated medical waste treatment and disposal services to hospitals and medical clinics, and provided hazardous industrial waste treatment services and industrial sewage treatment and disposal services in Jiangsu Province, the PRC. The related operations require valid operating permission licences for processing specific categories of hazardous waste and/or regulated medical waste and industrial sewage treatment services issued by the Environmental Protection Department of the Jiangsu Province, the PRC. To the best knowledge of the Directors, each of the Group's subsidiaries which carries out treatment operations for hazardous industrial waste treatment and/or regulated medical waste and industrial sewage treatment services has complied with the relevant regulations to ensure continuous renewal of the licences concerned with best efforts, or otherwise, the subsidiary would cease its operations temporarily until the relevant licence(s) is being issued. Save as disclosed therein, for the year ended 31 December 2024 and up to the date of this announcement, the Group's subsidiaries in the PRC have not incurred significant expenditures for environmental remediation and have not currently involved in any significant environmental remediation. In addition, the Company and the Group's subsidiaries in the PRC have not accrued any amounts for environmental remediation relating to its operations. Under existing legislations and regulations, the management believes that there are no probable liabilities that will have a material adverse effect to the financial position or operating results of the Group.

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

15 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Directors proposed a final dividend. Details are disclosed in note 10(a).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, the financial performance of the Group was still at a loss with similar position as that in 2023 amidst the continuous impact of the changing market encountered by the hazardous waste treatment sectors.

For the year ended 31 December 2024, the Group's revenue from continuing operations decreased by 13.9% to HK\$349,416,000 (2023: HK\$405,612,000) and recorded a net loss of HK\$31,605,000 (2023: net loss of HK\$31,231,000) from continuing operations.

For the year ended 31 December 2024, the loss attributable to owners of the Company was HK\$26,335,000 (2023: attributable loss of HK\$33,118,000).

Equity attributable to owners of the Company as at 31 December 2024 decreased to HK\$869,053,000 (2023: HK\$908,251,000). Total bank borrowings of the Group as at 31 December 2024 increased to HK\$44,752,000 (2023: HK\$44,000,000). Cash and cash equivalents of the Group as at 31 December 2024 increased to HK\$220,823,000 (2023: HK\$186,365,000).

Environmental Treatment and Disposal Services for Industrial and Medical Wastes

For the year ended 31 December 2024, the Company's subsidiaries had collected from external customers for treatment and disposal in aggregate of approximately 167,964 metric tonnes (2023: 96,686 metric tonnes) of different wastes, with 96,078 metric tonnes (2023: 95,754 metric tonnes) of hazardous waste and 71,886 metric tonnes (2023: 932 metric tonnes) of non-hazardous industrial waste, 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\$224,254,000 (2023: HK\$272,671,000).

	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	88,752	176,779	87,410	227,168
Regulated medical waste	7,326	36,122	8,344	44,046
General industrial solid waste and others	71,886	11,353	932	1,457
Total	<u>167,964</u>	<u>224,254</u>	<u>96,686</u>	<u>272,671</u>

The Group holds interests in two associates, with 30% equity interest in Zhenjiang Xin Qu Solid Waste Disposal Limited* (“**Zhenjiang Xin Qu**”) which was licensed for flexible landfill disposal of 20,000 metric tonnes and rigid landfill disposal of 20,000 metric tonnes of hazardous waste respectively per annum, and 30% equity interest in Nanjing Chemical Industry Park Tianyu Solid Waste Disposal Company Limited (“**NCIP**”) which was licensed for collection, incineration and disposal of 38,000 metric tonnes of hazardous industrial waste per annum in the PRC. The attributable results of Zhenjiang Xin Qu and NCIP are accounted for on equity method and classified under the operating segment of environmental treatment and disposal services for industrial and medical wastes of the Group. For the year ended 31 December 2024, the Group shared a net profit of HK\$1,279,000 from Zhenjiang Xin Qu (2023: net profit of HK\$656,000) and shared a net loss of HK\$10,724,000 (2023: net loss of HK\$10,072,000) from NCIP respectively.

The Group holds 65% equity interest in a Sino-foreign joint venture, Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited* (“**Xinyu Rongkai**”), which owned the capacity for collection, incineration and disposal of 20,000 metric tonnes of hazardous industrial waste per annum in Liuzhou, Guangxi Province, the PRC. The attributable results of Xinyu Rongkai is accounted for on equity method and classified under the operating segment of environmental treatment and disposal services for industrial and medical wastes of the Group. For the year ended 31 December 2024, the Group shared a net loss of HK\$10,660,000 (2023: net loss of HK\$11,726,000).

For the year ended 31 December 2024, the loss margin (pre-tax) of the Group’s operating segment of environmental treatment and disposal services for industrial and medical wastes was approximately 16.2% (2023: 7.5%).

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

		2024	2023
		Annual	Annual
		capacity	capacity
	<i>Note</i>	metric tonnes	<i>metric tonnes</i>
Subsidiaries in the PRC:			
Licensed hazardous waste incineration facilities		135,400	135,400
Licensed epidemic medical waste incineration facilities	(i)	11,467	10,490
Licensed epidemic medical waste detoxification treatment facilities		3,300	3,300
Associated companies in the PRC:			
Licensed hazardous waste incineration facilities		38,000	38,000
Licensed hazardous waste landfill facilities	(ii)	33,333	20,000
Joint venture in the PRC:			
Licensed hazardous waste incineration facilities	(iii)	<u>—</u>	<u>15,880</u>
Combined licensed waste treatment and disposal facilities	(iv)	<u>221,500</u>	<u>223,070</u>

Notes:

- (i) A new operating permission 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 in February 2023. A renewal operating permission licence has been granted to a subsidiary located at Zhenjiang, Jiangsu Province, the PRC for incineration of regulated medical waste with an annual capacity increased to 800 metric tonnes from previously 80 metric tonnes per annum in June 2024.
- (ii) A renewal operating permission licence has been granted to Zhenjiang Xin Qu for flexible landfill disposal of 20,000 metric tonnes and rigid landfill disposal of 20,000 metric tonnes of hazardous waste respectively per annum in May 2024.
- (iii) The operating permission 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 and 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 annualised basis. The combined licensed treatment and disposal facilities above does 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, of which the operating permission licence has lapsed in November 2017 and is pending the governmental approval to resume operation.

Environmental Plating Sewage Treatment Services in Eco-plating Specialised Zone

For the year ended 31 December 2024, total revenue from the operating segment of provision of environmental plating sewage treatment services and provision of leasing facilities and related utilities in the eco-plating specialised zone owned by the Group situated at Zhenjiang, Jiangsu Province, the PRC (the “**Eco-plating Specialised Zone**”) was approximately HK\$125,162,000 (2023: HK\$132,941,000) and the segment profit margin (pre-tax) was approximately 20.7% (2023: 11.9%).

	Segment revenue	
	2024	2023
	HK\$'000	HK\$'000
Industrial sewage treatment and providing public utilities and management services	95,865	100,481
Leasing of factory buildings and facilities	29,297	32,460
	<hr/>	<hr/>
Total	125,162	132,941
	<hr/> <hr/>	<hr/> <hr/>
	2024	2023
Average gross floor area of factory buildings and facilities available for leasing (square metres)	101,034	101,034
Average utilisation rate of buildings and facilities	85.2%	90.7%
Plating sewage handled by the centralised sewage treatment plant (metric tonnes per annum)	315,038	330,615
Average utilisation rate of sewage treatment capacity	19.1%	20.0%
	<hr/> <hr/>	<hr/> <hr/>

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. Currently, 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 factory buildings and facilities with a total gross area of 106,807 square metres and available for leasing to manufacturing clients which undertake their plating-related operations inside the Eco-plating Specialised Zone. The Group owns 22 factory buildings in the Eco-plating Specialised Zone which are leased by 33 (2023: 35) manufacturing clients as at 31 December 2024. The Group operates a centralised plating sewage treatment plant, a centralised industrial sludge treatment plant and customised facilities equipped for all clients in the zone.

Investments in Plastic Materials Dyeing Business

The Group holds the equity interests in three manufacturing entities, which principally engaged in plastic materials dyeing in the PRC, as equity investments. For the year ended 31 December 2024, 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**”) were 2.0%, 2.4% and 4.3% (2023: 0.7%, 2.3% and 4.2%) respectively.

For the year ended 31 December 2024, total dividend received by the Group (before PRC dividend withholding tax) in relation to the results of Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei in previous year was approximately HK\$3,745,000 (2023: HK\$3,945,000).

BUSINESS OUTLOOK

Throughout the year ended 31 December 2024, the Group confronted a continuing downturn in operating revenue. The market for hazardous waste incineration treatment services across cities in the PRC, particularly in Jiangsu Province, was competitive, with overcapacity leading to a decline in treatment prices. This had a significant impact on the Group's financial performance. In response, the Group firmly implemented the strategic decision to temporarily suspend operations in certain loss-making units. Despite these challenges, the Group remained committed to upholding national environmental protection standards and continuously maintained its waste treatment facilities. Entering 2025, the Group will spare no effort to ensure the timely renewal of hazardous waste operating licences for its subsidiaries and minimise the downtime for necessary adjustments to the incineration facilities.

As at 31 December 2024, the Group's four subsidiaries in the PRC maintained a licensed annual incineration capacity of 135,400 metric tonnes of hazardous waste and 11,800 metric tonnes of regulated medical waste. The centralised sewage filtration system in the Eco-plating Specialised Zone and its sewage treatment plant have been continuously optimised and adjusted in good condition to serve the current 33 professional plating clients inside the zone, with a leasable factory floor area of 101,034 square metres.

Despite the uncertainties and challenges in the business environment, the Group will remain steadfast in its focus on environmental-related businesses. We will prudently explore opportunities for business restructuring and industrial upgrading to enhance the sustainability of our environmental operations.

The Group is dedicated to upholding corporate governance and environmental governance to ensure the smooth and stable operation of the entire Group.

Barring any unforeseen uncertainties emerging from the hazardous waste treatment sector and local economies in the PRC, the Group remains optimistic about the future. We are committed to improving operations, returning to profitability, and maintaining a strong emphasis on environmental protection and waste management. Through optimising resource allocation and enhancing operational efficiency, we are confident that we can achieve an improvement in performance in 2025 and create greater value for shareholders.

FINANCIAL REVIEW

The summary of annual results for the year ended 31 December 2024 together with corresponding figures for 2023 is presented as follows:

Summary of annual results

	Note	Year ended 31 December		Change %
		2024 HK\$'000	2023 HK\$'000	
Continuing operations				
Revenue from environmental treatment and disposal services for industrial and medical wastes	1(i)	224,254	272,671	-17.8
Revenue from environmental industrial sewage treatment, utilities, management services, and leasing out factory facilities	1(ii)	125,162	132,941	-5.9
Total Revenue	1	349,416	405,612	-13.9
Average gross profit margin (in percentage)	2	15.7	16.1	-2.5
Other revenue	3	3,745	3,945	-5.1
Other income	4	5,705	6,781	-15.9
Distribution costs	5	(17,585)	(19,263)	-8.7
Administrative expenses	6	(43,699)	(49,771)	-12.2
Research and development expenses	7	(5,716)	(6,055)	-5.6
Other operating expenses	8	(7,031)	(15,451)	-54.5
Reversal of impairment loss on trade receivables, net	9	5,009	15,672	-68.0
Finance income	10	4,550	5,469	-16.8
Finance costs	11	(1,811)	(3,780)	-52.1
Share of results of associates	12	(9,445)	(9,416)	+0.3
Share of results of a joint venture	13	(10,660)	(11,726)	-9.1
Income tax	14	(9,498)	(13,053)	-27.2
Discontinued operation				
Loss from discontinued operation	15	–	(4,536)	–
Net loss for the year	16	(31,605)	(35,767)	-11.6
Loss attributable to owners of the Company	16	(26,335)	(33,118)	-20.5
Basic LPS (in HK cents)	16	(0.87)	(1.09)	-20.2
Diluted LPS (in HK cents)	16	(0.87)	(1.09)	-20.2
Adjusted EBITDA	17	72,783	82,450	-11.7

Summary of annual results by semi-annual cycle

	Note	1H 2024 HK\$'000	2H 2024 HK\$'000	Total 2024 HK\$'000
Continuing operations				
Revenue from environmental treatment and disposal services for industrial and medical wastes	1(i)	105,297	118,957	224,254
Revenue from environmental industrial sewage treatment, utilities, management services, and leasing out factory facilities	1(ii)	60,773	64,389	125,162
Total Revenue	1	166,070	183,346	349,416
Average gross profit margin (in percentage)	2	12.0	19.0	15.7
Other revenue	3	3,745	–	3,745
Other income	4	3,564	2,141	5,705
Distribution costs	5	(10,083)	(7,502)	(17,585)
Administrative expenses	6	(22,071)	(21,628)	(43,699)
Research and development expenses	7	(2,707)	(3,009)	(5,716)
Other operating expenses	8	(3,031)	(4,000)	(7,031)
Reversal of impairment loss on trade receivables, net	9	1,927	3,082	5,009
Finance income	10	1,827	2,723	4,550
Finance costs	11	(914)	(897)	(1,811)
Share of results of associates	12	(5,145)	(4,300)	(9,445)
Share of results of a joint venture	13	(5,890)	(4,770)	(10,660)
Income tax	14	(4,859)	(4,639)	(9,498)
Net loss for the period	16	(23,706)	(7,899)	(31,605)
Loss attributable to owners of the Company	16	(20,248)	(6,087)	(26,335)
Basic LPS (in HK cents)	16	(0.67)	(0.20)	(0.87)
Diluted LPS (in HK cents)	16	(0.67)	(0.20)	(0.87)
Adjusted EBITDA	17	29,221	43,562	72,783

	<i>Note</i>	1H 2023 <i>HK\$'000</i> (Restated)	2H 2023 <i>HK\$'000</i>	Total 2023 <i>HK\$'000</i>
Continuing operations				
Revenue from environmental treatment and disposal services for industrial and medical wastes	1(i)	138,808	133,863	272,671
Revenue from environmental industrial sewage treatment, utilities, management services, and leasing out factory facilities	1(ii)	<u>61,830</u>	<u>71,111</u>	<u>132,941</u>
Total Revenue	1	<u>200,638</u>	<u>204,974</u>	<u>405,612</u>
Average gross profit margin (in percentage)	2	12.6	19.6	16.1
Other revenue	3	3,945	–	3,945
Other income	4	2,518	4,263	6,781
Distribution costs	5	(10,121)	(9,142)	(19,263)
Administrative expenses	6	(22,833)	(26,938)	(49,771)
Research and development expenses	7	(3,377)	(2,678)	(6,055)
Other operating expenses	8	(9,927)	(5,524)	(15,451)
Reversal of impairment loss on trade receivables, net	9	–	15,672	15,672
Finance income	10	3,537	1,932	5,469
Finance costs	11	(2,051)	(1,729)	(3,780)
Share of results of associates	12	(4,424)	(4,992)	(9,416)
Share of results of a joint venture	13	(6,110)	(5,616)	(11,726)
Income tax	14	(6,400)	(6,653)	(13,053)
Discontinued operation				
(Loss)/profit from discontinued operation	15	(7,270)	2,734	(4,536)
Net loss for the period	16	(29,977)	(5,790)	(35,767)
(Loss)/profit attributable to owners of the Company	16	(33,165)	47	(33,118)
Basic LPS (in HK cents)	16	(1.09)	(0.00)	(1.09)
Diluted LPS (in HK cents)	16	(1.09)	(0.00)	(1.09)
Adjusted EBITDA	17	<u><u>34,064</u></u>	<u><u>48,386</u></u>	<u><u>82,450</u></u>

Notes:

1. Revenue from continuing operations

Net decrease in total revenue from continuing operations for the year ended 31 December 2024, amounting to HK\$56,196,000 was mainly attributable to:

- (i) a drop in the revenue from the environmental treatment and disposal services for industrial and medical wastes experienced a continuous decline in the average unit handling price that resulted in a decrease of HK\$48,417,000; and
- (ii) a decrease in revenue from environmental industrial sewage treatment, utilities, management services, and leasing out factory facilities owing to decline in manufacturing activities of certain clients in the Eco-plating Specialised Zone that resulted in a decrease of HK\$7,779,000.

2. Gross profit margin

The decrease in the Group's gross profit margin for the year ended 31 December 2024 was mainly attributable to:

- (i) the decrease in the unit handling price for hazardous waste treatment services directly reduced the revenue per unit of service provided that resulted in putting downward pressure on the gross profit margin; and
- (ii) the increase in outsourcing landfill costs for the disposal of secondary wastes generated during the Group's incineration process also ate into the gross profit that resulted in reduction in the overall gross profit margin.

3. Other revenue

Net decrease in other revenue for the year ended 31 December 2024, amounting to HK\$200,000, was mainly attributable to the decrease in RMB foreign exchange rates relative to HK\$ upon receipt of cash dividends from the equity investments in the current year.

4. Other income

Net decrease in other income for the year ended 31 December 2024, amounting to HK\$1,076,000, was mainly attributable to the lapse of certain Chinese governmental preferential tax refund policies since last year.

5. Distribution costs

Net decrease in distribution costs for the year ended 31 December 2024, amounting to HK\$1,678,000, was mainly due to a decrease in marketing agency fees in the current year.

6. Administrative expenses

Net decrease in administrative expenses for the year ended 31 December 2024, with a reduction of HK\$6,072,000, was mainly caused by a reduction in staff headcount in the current year.

7. Research and development expenses

Net decrease in research and development expenses for the year ended 31 December 2024, amounting to HK\$339,000, was mainly attributable to staffing adjustment to the R&D departments of the major PRC subsidiaries in the current year.

8. Other operating expenses

Net decrease in other operating expenses for the year ended 31 December 2024, amounting to HK\$8,420,000, was mainly attributable to decrease in litigation costs.

9. Reversal of impairment loss on trade receivables

The reversal of impairment loss on trade receivables for the year ended 31 December 2024, with a total of HK\$5,009,000 (HK\$1,927,000 in the first half of 2024 and HK\$3,082,000 in the second half of 2024), was mainly attributable to improvement in debt recovery.

10. Finance income

Net decrease in finance income for the year ended 31 December 2024, amounting to HK\$919,000, was mainly attributable to a decrease in interest income from free-cash deposits in the current year.

11. Finance costs

Net decrease in finance costs for the year ended 31 December 2024, with a reduction of HK\$1,969,000, was mainly due to a decrease in the Group's borrowings at higher interest rates in the current year.

12. Loss shared from associates

Net increase in loss shared from associates for the year ended 31 December 2024, amounting to HK\$29,000, was mainly attributable to the continued losses in the business performance of NCIP during the current year.

13. Loss shared from the joint venture, Xinyu Rongkai

Net decrease in loss shared from the joint venture, Xinyu Rongkai, for the year ended 31 December 2024, amounting to HK\$1,066,000, was mainly attributable to its decrease in operating costs under temporary operation halt in the current year.

14. Income tax

Net decrease in income tax for the year ended 31 December 2024, amounting to HK\$3,555,000, was mainly attributable to a decline in taxable profits from continuing operations in the PRC in the current year.

15. Discontinued operation

No loss from discontinued operation was recognised for the year ended 31 December 2024 that was mainly because in 2023, the Group completed a one-off transaction to dispose of its entire equity interest in wholly owned subsidiary that resulted in the de-consolidation of the environmental equipment construction and installation services operating segment in 2023. The net effect of this disposal was reflected in the 2023 financial statements and no such loss was incurred in 2024.

16. Group losses and LPS

For the year ended 31 December 2024, the Group's losses, the net loss attributable to owners of the Company, and the respective loss per share (LPS) were mainly attributable to:

- (i) the decrease in revenue and profit from environmental treatment and disposal services for industrial and medical wastes in the PRC owing to a decrease in the average unit handling price, significantly impacted the Group's financial performance; and
- (ii) the decline in revenue from environmental industrial sewage treatment services in the Eco-plating Specialised Zone also contributed to the losses.

17. Adjusted EBITDA

The Company uses 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 Group's operating results. The decrease in Adjusted EBITDA for the year ended 31 December 2024, amounting to HK\$9,667,000 was mainly attributable to the combined effects of the decrease in revenue from core business segments in the current year.

Seasonality of operations

For the year ended 31 December 2024, the operation of providing environmental treatment and disposal services for industrial and medical wastes was the key driver of revenue of the Group which encountered a relatively higher demand in the second half of the year.

For the year ended 31 December 2024, the environmental treatment and disposal services for industrial and medical wastes recorded a revenue of HK\$224,254,000 (2023: HK\$272,671,000) and pre-tax loss of HK\$36,280,000 (2023: loss of HK\$20,324,000) with revenue of approximately 47.0% (2023: 50.9%) being accumulated in the first half of the year and approximately 53.0% (2023: 49.1%) being accumulated in the second half of the year.

Capital expenditure

For the year ended 31 December 2024, the Group incurred capital expenditure to increase property, plant and equipment and to acquire land use rights for the operating segment of (i) environmental treatment and disposal services for industrial and medical wastes amounting to approximately HK\$2,986,000 (2023: HK\$14,152,000), (ii) industrial sewage and sludge treatment and facility provision services in the Eco-plating Specialised Zone amounting to approximately HK\$23,149,000 (2023: HK\$5,974,000), and (iii) head office for corporate use in Hong Kong being HK\$1,066,000 (2023: HK\$6,000).

Commitments

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

	2024	2023
	HK\$'000	HK\$'000
Contracted but not provided for:		
– Capital expenditure in respect of property, plant and equipment	19,198	44,084
– Capital contribution to an equity investment	15,915	15,976

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. Pursuant to the Investment Agreement, NUET(JS) (the immediate holding company interested in 100% paid-up registered capital of Zhenjiang New Universe) should inject additional capital in the amount of USD5,000,000 into Zhenjiang New Universe. Up to the date of this announcement, the additional capital to be registered for and injected into Zhenjiang New Universe is still pending the approval of the relevant departments of the PRC government.

Liquidity, financial resources and gearing

- (a) For the year ended 31 December 2024, the Group financed its operations and made payment of debts and liabilities due timely 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 amounting to approximately HK\$869,053,000 as at 31 December 2024 (2023: HK\$908,251,000) and consolidated total assets amounting to approximately HK\$1,247,615,000 as at 31 December 2024 (2023: HK\$1,301,424,000).
- (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:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
(i) Cash and bank balances:		
in HK\$	51,186	50,706
in RMB	145,264	113,563
in USD	24,373	22,096
	220,823	186,365
	2024	2023
	HK\$'000	HK\$'000
(ii) Available unused unsecured banking facilities:		
in HK\$	20,000	35,600
in RMB	31,920	117,700
	51,920	153,300

- (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 year 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 profit or loss for the year:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	(31,605)	(35,767)
Adjustments for:		
– Income tax	9,498	13,053
– Gross interest expense	1,811	3,780
– Depreciation of property, plant and equipment	69,743	72,428
– Depreciation of right-of-use assets	3,231	3,278
– Share of results of associated companies, net of tax	9,445	9,416
– Share of results of a joint venture, net of tax	10,660	11,726
– Loss from discontinued operation	–	4,536
Adjusted EBITDA	<u>72,783</u>	<u>82,450</u>

- (f) The Company monitors the financial performance of the equity-accounted investees through adjusted EBITDA by excluding the impact of the capital investee, finance costs and tax entity structure. Set out below is the adjusted EBITDA of the equity-accounted investees of the Company for the two years ended 31 December 2024:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Adjusted EBITDA of associates:		
Zhenjiang Xin Qu	19,530	10,955
NCIP	(12,665)	(10,602)
Adjusted EBITDA of joint venture:		
Xinyu Rongkai	<u>(2,276)</u>	<u>(6,657)</u>

- (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 1.43 times as at 31 December 2024 (2023: 1.33 times).

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank borrowings	44,752	44,000
Lease liabilities	–	332
	<u>44,752</u>	<u>44,332</u>
Total interest-bearing borrowings	<u>44,752</u>	<u>44,332</u>
Total equity (inclusive of non-controlling interests)	<u>964,450</u>	<u>1,013,359</u>
Gearing ratio	<u>4.6%</u>	<u>4.4%</u>

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 bank borrowings of the Group were as follows:

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Secured RMB bank borrowings	(i)	21,280	22,000
Unsecured RMB bank borrowings	(ii)	23,472	22,000
Unsecured HK\$ bank borrowings	(iii)	–	–
		<u>44,752</u>	<u>44,000</u>

Notes:

- (i) Bearing interest at fixed rates that ranged from 3.50% to 4.00% (2023: 3.90% to 4.25%) per annum in the current year.
- (ii) Bearing interest at fixed rates that ranged from 3.20% to 3.50% (2023: 3.20% to 3.75%) per annum in the current year.
- (iii) There was no interest bearing bank borrowings denominated in Hong Kong Dollar outstanding in the current year (2023: interest at variable rates ranged from 4.88% to 7.99% per annum).

Capital structure

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

Material acquisitions and disposals of subsidiaries and affiliated companies

There were no significant investments nor material acquisition and disposal of subsidiaries, associates and joint ventures of the Company for the year ended 31 December 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**”) (22 March 2024: 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 31 December 2024 was HK\$98,400,000 (2023: HK\$81,500,000).

	Group’s interest	Fair value attributable to the Group		Fair value relative to the Group’s total assets	
		2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>	2024	2023
Suzhou New Huamei	18.62%	12,600	7,000	1.0%	0.5%
Danyang New Huamei	24.50%	10,300	7,600	0.8%	0.6%
Qingdao Huamei	28.67%	75,500	66,900	6.1%	5.1%
		98,400	81,500	7.9%	6.2%

The unlisted equity investments acquired by the Group in October 2007 are held for long term strategic purposes. The change in fair value of the equity investments for the year ended 31 December 2024 were recognised as other comprehensive income and accounted for in the investment revaluation reserve of the Group.

Impairment testing on goodwill

Goodwill was recognised upon the completion of a business combination in 2007 that currently composed of Zhenjiang New Universe and Yancheng New Universe Solid Waste Disposal Company Limited that principally engaged in environmental waste treatment and disposal services in Jiangsu Province, the PRC which since then being identified as a cash-generating unit. As at 31 December 2024, the assessment on the recoverable amount of this cash-generating unit was conducted with reference to the valuation report prepared by Colliers International (22 March 2024: Colliers International), based on reasonable assumptions, including but not limited to the cash flows projection with a growth rate at 1.7% (2023: 2.1%) of that cash-generating unit operating with the licensed incineration capacity of hazardous waste 26,400 metric tonnes per annum and licensed disposal capacity of regulated medical waste 4,100 metric tonnes per annum, and at the pre-tax discount rate of 12.33% (2023: 16.12%) having accounted for the risks encountered in the industries. No impairment loss to the goodwill was considered necessary for the two years ended 31 December 2024 and 2023.

Impairment testing on interest in an associate, NCIP

As at 31 December 2024, the assessment on the recoverable amount of the Group's interest in NCIP, that principally engaged in environmental waste treatment and disposal services in Nanjing, Jiangsu Province, the PRC, was conducted with reference to the valuation report prepared by Colliers International (22 March 2024: Colliers International), based on reasonable assumptions, including but not limited to the cash flows projection of NCIP with a growth rate at 1.7% (2023: 2.1%) of NCIP as cash-generating unit with the licensed incineration capacity of hazardous waste 38,000 metric tonnes per annum, and at the pre-tax discount rate of 11.81% (2023: 15.57%) having accounted for the risks encountered by NCIP in the industries. No impairment loss to the Group's interest in NCIP was considered necessary for the two years ended 31 December 2024 and 2023.

Impairment testing on interests in joint venture, Xinyu Rongkai

As at 31 December 2024, the assessment on the recoverable amount of the Group's interests in Xinyu Rongkai, that principally engaged in environmental waste treatment and disposal services in Liuzhou, Guangxi, the PRC, was conducted with reference to the valuation report prepared by Colliers International, based on reasonable assumptions, including but not limited to the cash flows projection of Xinyu Rongkai with a growth rate at 1.7% of Xinyu Rongkai once resumed operations as cash-generating unit with the licensed incineration capacity of hazardous waste 20,000 metric tonnes per annum, and at the pre-tax discount rate of 11.73% having accounted for the risks encountered by Xinyu Rongkai in the industries. No impairment loss to the Group's interests in Xinyu Rongkai was considered necessary for the year ended 31 December 2024.

Charges on assets

As at 31 December 2024, the following assets of the Group were pledged as collaterals for banking facilities granted and other ordinary business of the Group:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Carrying amount of collaterals:		
Property, plant and equipment	47,392	57,483
Land use rights	7,266	7,692
Pledged bank deposits	3,309	–
	<u>57,967</u>	<u>65,175</u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Secured liabilities and guarantee issued:		
Secured bank borrowings	21,280	22,000
Bills payables	5,001	–
	<u>26,281</u>	<u>22,000</u>

Contingent liabilities

Save as those disclosed in note 14 to the consolidated financial statements herein, there were no other significant contingent liabilities of the Group as at 31 December 2024 (2023: Nil).

Exposure to fluctuations in exchange rates

The Group mainly operates in the Mainland China 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 and the Mainland China's economy will regain its robustness. The Group will review and monitor its currency exposure from time to time, and when appropriate hedge its currency risk.

The results of the Company's subsidiaries in the Mainland China 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 Company's subsidiaries in the Mainland China are translated from RMB into HK\$ at the closing rate ruling at the end of the reporting period. For the year ended 31 December 2024, RMB depreciated on average relatively to the HK\$ resulted in an overall downside exchange difference on translation from RMB to HK\$ for the financial statements of the subsidiaries, associates and a joint venture in the Mainland China in an aggregate of approximately HK\$27,704,000 (2023: downside difference HK\$21,596,000) that were recognised as other comprehensive income and accumulated separately in equity in the translation reserve of the Company in the current year. There was a release of negative exchange difference of HK\$352,000 arisen on the disposal of interests in PRC subsidiaries that was recognised to the profit or loss of the Company in the year of 2023. The accumulated exchange differences in the translation reserve will be reclassified to profit or loss as when the interests in the relevant subsidiaries in the Mainland China being entirely or partially disposed of by the Group.

Principal risks and uncertainties

The following are the principal risks and uncertainties related to the Company's business:

1. The Group is dependent of the continuous renewal of hazardous waste operating permission licences to be granted by the PRC Government. The environmental business of the Group involving in collection, storage, incineration, landfill, treatment and final disposal of hazardous waste in the Mainland China requires operating permission licences for handling hazardous waste and the operating permission licences for handling epidemic medical waste issued by the Environmental Protection Bureau of Jiangsu Province and local environmental authorities. There is a risk that the hazardous waste operating permission licence(s) of the Group may be suspended temporarily or withdrawn or the renewal of which may be delayed and subject to the compliance with the PRC Governmental directions for renovation and reconstruction.

The Group commits to ensuring the continuous renewal of all necessary licences for its operations and to ensure all subsidiary entities engaging in environmental operations maintain and continuously uphold their operating standards and waste management standards and technically renovate the facilities in order to comply with the environmental policies, standards, and legislations as promulgated by the PRC Government from time to time.

2. The Group faces competition in the market of hazardous waste collection for treatment and disposal services from other operators in the environmental hazardous waste treatment industry.

The Group has to continuously upkeep its facilities and provide continuous staff development, to reduce energy consumption and emissions, and to strengthen hazardous waste decomposition technology, its waste management standard and financial stability in order to compete with the increasing number of competitors in treatment of hazardous waste sector with more financial resources to develop larger scaled waste disposal and recycling facilities, better standards and technology to the compliance with all national and international environmental regulations, and better technical know-how than we have.

3. Owing to the increasing number of hazardous waste disposal companies being granted license to operate currently in the market, and the quantity of hazardous waste produced from upstream manufacturers has not increased relatively, it resulted in keen competition of hazardous waste among disposal companies. The competition has become fierce, and it has also increased the bargaining power of the intermediary agency in hazardous waste distribution market. Intermediary agency fee will be determined on the quantity of hazardous waste discharged by a cooperative hazardous waste disposal unit. Intermediary agency fee would constitute one of the major costs to an entity running hazardous waste disposal operations and affect the Group's profitability performance.

The Group will strengthen its own marketing function and the contractual relationship with all existing clients as well as the cooperative relationship with the intermediary agencies emerging in the market in order to ensure the Group operate in a stable manner under the transitional change.

4. The Group engages in hazardous waste incineration to reduce quantity of hazardous waste and to decompose hazardous waste through high temperature incineration process, to landfill the hazardous waste and post incineration residue, and handling industrial sewage discharging by clients in an industrial zone that faces environmental and social responsibility risks, which might be caused by incidental breach of environmental emission limits, incidental safety issues, contamination to land, and incidental adverse waste discharging conditions caused by clients, and which could have negative impact to the environmental waste treatment operations of the Group.

The Group has sought for high quality plant construction design, and implemented stringent controls over the construction of new projects. The Group has to continuously upgrade the efficiency of the existing plant and equipment and to enhance the project management standards from time to time. The Group has its own project management team and will appoint independent professionals to report on environmental emissions periodically and to monitor all possible environmental impact to the society.

5. The scale of the Group's operations has changed moderately which from time to time, increases the significance of internal control risks arising from the uncertainties of effectiveness and achievement of the objective of risk management and internal control systems, or ineffectiveness of the internal control due to any defective critical point subsisted in the risk management and internal control systems or any improper internal control measure.

The Group has continuously monitored the effectiveness of the risk management and internal control systems of the Group by appointing independent professional consultants to carrying out internal control review on all key operations of the Group periodically. The Group has assigned designated staffs to monitor each key operation of the Group who would strengthen the liaison between the Group's headquarter in Hong Kong, district head office in Jiangsu and all project companies, and from time to time, keep informed of the status of the projects and ensure the top management's policies are being implemented in a timely and effective manner.

6. The impact of economic conditions on local industries in the Mainland China would affect the quantities of hazardous waste discharged and the treatment service pricing for the specific market offered by specific client base of the Group for environmental waste treatment and disposal services.

The Group has to continue its business strategy to strengthen penetration of different geographical markets and thereby to reduce its dependency and further investment on the specific markets.

7. Loss of key personnel and lack of appropriately experienced human resources would result in a delay in achieving the Group's strategic goals and development of new projects.

The Company has to review the organisational structure of the Group and responsibilities and duties of all key staff members regularly and to mitigate any possible loss on human capital by regular reviews of recruitment and retention practices, remuneration packages and succession planning within the management team and to motivate the staff by implementation of the share option scheme of the Company.

8. The Group has faced credit risk attributable to the underperforming accounts receivable from distressed clients during the period of increased economic uncertainties. The Company faces the challenge of inputting subjective forward-looking information into the assessment of whether credit risk on the accounts receivable has changed from time to time. The Company would perform both individual and collective assessments on the recoverability of underperforming accounts due from clients grouped by locations in different industrial parks in Jiangsu Province, the PRC. As all clients of the Group have to comply with strict environmental regulations to timely handle the hazardous waste produced in their manufacturing process, they have to engage with qualified service provider(s) to collect, manage, decompose and finally landfill their hazardous waste produced in order to avoid non-compliance penalties or even being ordered to shut down. Those clients facing risks of financial stress from increased economic uncertainties would request for concessions against the current terms of their contracts with the Group, delayed settlement of invoiced amounts, and even involve the local authority in charge of the industrial parks where they located to intervene in mediation and debts recovery.

The Group would incorporate impacts of economic uncertainty and economic revival on the risk of default into the probability of default for individual exposures on a timely basis, incorporate qualitative factors as there were changes in client's payment behaviour, engage with independent professional valuer to assess if there were significant changes in credit risks on a collective basis, and review allowance on lifetime expected credit loss upon the deviation of contractual payment terms by client(s). The Group would limit its exposure to credit risk by rigorously selecting the counterparties (i.e. the clients, the customers, lessees in the Eco-plating Specialised Zone, the hazardous waste producers, and the market intermediaries) and explore prudently for opportunities of business optimisation and market diversification.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 401 (2023: 482) full-time employees, of which 16 (2023: 17) were based in Hong Kong, and 385 (2023: 465) in the Mainland China. For the year ended 31 December 2024, staff costs, including Directors' remuneration and amount capitalised as inventories was HK\$71,574,000 (2023: HK\$89,272,000). Employees and Directors were paid in commensurate with the prevailing market standards, with other fringe benefits such as bonus, medical insurance, mandatory provident fund, and continuous development and training.

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's non-executive directors, including independent non-executive directors, employees of the Group, consultants of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders and any non-controlling shareholders of the Company's subsidiaries. The Scheme became effective on 5 May 2015 and, unless otherwise cancelled or amended, will remain in force for 10 years ending on 4 May 2025, after which no further options may be granted.

The exercise price of share option is determinable by the Directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of the offer of the share options; (ii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares on the date of offer. Share options do not confer rights on the holders to dividends or to vote at the shareholders' meetings.

The following share options were outstanding under the Scheme:

	2024		2023	
	Weighted average exercise price HK\$	Number of options '000	Weighted average exercise price HK\$	Number of options '000
Outstanding at 1 January	0.293	15,656	0.281	29,059
Lapsed during the year	0.272	6,339	0.250	9,640
Cancelled during the year	-	-	0.308	3,763
Outstanding at 31 December (<i>note</i>)	<u>0.308</u>	<u>9,317</u>	<u>0.293</u>	<u>15,656</u>
Vested during the year	-	-	0.308	9,317
Exercisable at the end of the period	<u>0.308</u>	<u>9,317</u>	<u>0.293</u>	<u>15,656</u>

Note: The number of shares of the Company that may be issued in respect of 9,317,000 (2023: 15,656,000) outstanding options are 9,317,000 (2023: 15,656,000) shares, representing approximately 0.31% (2023: 0.52%) of the issued shares of the Company as at 31 December 2024.

No share options were exercised during the year. The options outstanding at 31 December 2024 had a weighted average exercise price of HK\$0.308 (2023: HK\$0.293) per share and remaining a contractual period of 0.59 years (2023: 0.59 years to 1.59 years).

CHANGE IN DIRECTORS' INFORMATION

For the year ended 31 December 2024 and up to the date of this announcement, there were changes in Directors' information as follows:

- (a) Mr. YUEN Kim Hung, Michael resigned as independent non-executive Director and as the chairman of the Nomination Committee and member of all committees with effect from 9 October 2024.
- (b) Mr. XI Yu was appointed the chairman of the Nomination Committee with effect from 9 October 2024.
- (c) Ms. XIANG Ling was appointed as an independent non-executive Director and member of the Audit Committee, Nomination Committee, Remuneration Committee and ESG Committee with effect from 1 October 2024.

Save as disclosed therein, there is 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.

Save as disclosed therein, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) of Listing Rules.

CHANGE IN INFORMATION OF MANAGEMENT

For the year ended 31 December 2024 and up to the date of this announcement, there was no significant change in the information of the key management team members of the Company.

CONNECTED TRANSACTION

There was no connected transactions (defined under the Listing Rules) which were discloseable in the reporting period or any time during the year ended 31 December 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\$127,680,000) 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\$6,224,000) based on 65% equity interest in Xinyu Rongkai for a short-term banking facilities in a total amount of RMB9,000,000 (approximately HK\$9,576,000) and the guarantee has been extended to 4 December 2027, for general working capital purpose of Xinyu Rongkai. The related bank borrowings as guaranteed has been fully settled on 4 December 2024.

The banking facilities of Xinyu Rongkai guaranteed by the Company amounting to 65% of RMB129,000,000, (approximately HK\$137,256,000) (2023: RMB129,000,000, approximately HK\$141,900,000) of which RMB125,100,000 (approximately HK\$133,106,000) (2023: RMB125,100,000, approximately HK\$137,610,000) was utilised, and loans of approximately RMB47,048,000 (approximately HK\$50,059,000) (2023: RMB63,148,000, approximately HK\$69,462,000) were outstanding as at 31 December 2024, which is repayable on 21 June 2025 and bearing interest at fixed rate at 4.25% (2023: ranging from 4.35% to 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\$16,492,000) 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\$10,720,000) and Lender B agreed to lend RMB5,425,000 (approximately HK\$5,772,000) 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 31 December 2024, the loan to Xinyu Rongkai pursuant to the JV Loan Agreement from the Group was RMB10,075,000 (approximately HK\$10,720,000) (2023: RMB10,075,000 (approximately HK\$11,083,000)).

During the year ended 31 December 2024, Zhenjiang Xinrong Environmental Technologies Limited (formerly name as Jiangsu Xin Yu Environmental Technologies Limited)* and Jiangsu Xinyu Environmental Company Limited* (the wholly owned subsidiaries of the Company) has made advances to Xinyu Rongkai, for its general operating purpose, which are unsecured, bearing interest at fixed rates ranging from 3.20% to 4.05% (2023: 3.55% to 4.05%) per annum and with no fixed terms of repayment. As at 31 December 2024, such advances due from Xinyu Rongkai to the Group was in aggregate approximately of HK\$28,213,000 (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:

	For the year ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Gross amounts of the joint venture's		
Non-current assets	144,586	160,707
Current assets	554	778
Current liabilities	(111,142)	(87,316)
Non-current liabilities	(16,492)	(39,399)
	<u>17,506</u>	<u>34,770</u>
Equity	17,506	34,770
The Group's attributable interest in the joint venture		
Gross amount of net assets of the joint venture	17,506	34,770
	<u>17,506</u>	<u>34,770</u>
The Group's share of net assets of the joint venture	11,378	22,600
The Group's share of shareholders' loan	10,720	11,083
	<u>10,720</u>	<u>11,083</u>
Carrying amount of net assets of the joint venture	22,098	33,683
	<u>22,098</u>	<u>33,683</u>

DIRECTORS' INTERESTS IN SIGNIFICANT CONTRACTS

As at 31 December 2024 and any time during the year, 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 that was entered into by Smartech Services Limited (“**Smartech Services**”), an indirectly wholly 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 (the “**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 year ended 31 December 2024, total rentals paid by Smartech Services to Sun Ngai were HK\$960,000 (2023: HK\$960,000).

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 agreements 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.

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Ms. LIU Yu Jie was appointed 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 Mainland China, of which she has a controlling stake in one of the four said companies. As the permission 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 year and up to the date of this announcement, the Directors were not aware of any business or interest of the Directors or any substantial Shareholder (as defined under the Listing Rules) 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.

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

Neither the Company, nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's listed securities during the year ended 31 December 2024.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors during the year and up to the date of this announcement, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

- (a) The Board and the management are committed to upholding good corporate governance practices and business ethics. 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 of the Company (the "**Shareholder(s)**").
- (b) During the year ended 31 December 2024, the Company has applied the principles of and complied with the code provisions set out in Part 2 of Appendix C1 Corporate Governance Code ("**CG Code**") to the Listing Rules, but save for the code provision C.2.1, the Directors confirmed that they were not aware of any other deviation from the CG Code for the year then ended.
- (c) 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. With effect from 16 October 2018, Mr. XI Yu, the chairman of the Board ("**Chairman**"), has assumed the role of both Chairman and chief executive officer ("**CEO**") of the Company. As such, starting from 16 October 2018, the assumption of the dual role of both Chairman and CEO by Mr. XI Yu 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 past 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.

In addition, the Board also considers that: (i) the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and the CEO of the Company; (ii) Mr. XI Yu as the Chairman and CEO is fully accountable to the shareholders of the Company 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 of the roles of the Chairman and the CEO of the Company on the same person has the benefit of ensuring consistent leadership within the Group and will enable the Company to make and implement decisions in a timely and efficient manner. However, the Board will continue to review and consider splitting the role of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate.

DIRECTORS' SECURITIES TRANSACTIONS

- (a) The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in The Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.
- (b) With specific enquiries having been made of all the Directors, all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2024.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors in writing his annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, Mr. YANG Harry (Chairman of Audit Committee), Mr. HO Yau Hong, Alfred and Ms. XIANG Ling, has reviewed with the management the consolidated financial statements of the Company for the year ended 31 December 2024.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2024, and consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year then ended as set out in this announcement have been agreed with the Group's independent auditor, Crowe (HK) CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 21 March 2025. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe (HK) CPA Limited on this announcement.

PROPOSED FINAL DIVIDEND

On 21 March 2025, the Board recommended the payment of a final dividend of HK\$0.0016 per share out of the retained profits of the Company as at 31 December 2024 for the year then ended to express gratitude for the continued supports of the shareholders, which is subject to the approval of the shareholders at the forthcoming annual general meeting (the "AGM"). Upon shareholders' approval at the AGM, the final dividend is expected to be payable on 31 July 2025 to shareholders whose names appear on the register of members on 6 June 2025.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 23 May 2025. Notice of AGM will be published on the Stock Exchange's website and the Company's website and despatched to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will not be closed for the purpose of ascertaining the right of the Shareholders to attend and vote at the forthcoming Annual General Meeting to be held on Friday, 23 May 2025. However, in order to qualify for attending and voting at the forthcoming Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 19 May 2025.

The register of members of the Company will be closed for the purpose of ascertaining the entitlement of Shareholders to the proposed final dividend at the Annual General Meeting from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend (subject to the approval of Shareholders at the Annual General Meeting), all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 2 June 2025.

By Order of the Board
New Universe Environmental Group Limited
XI Yu
Chairman and CEO

Hong Kong, 21 March 2025

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

Mr. XI Yu	<i>(Chairman, CEO and Executive Director)</i>
Ms. CHEUNG Siu Ling	<i>(Executive Director)</i>
Ms. LIU Yu Jie	<i>(Executive Director)</i>
Ms. JIANG Qian	<i>(Executive Director)</i>
Mr. HON Wa Fai	<i>(Executive Director)</i>
Ms. XI Man Shan Erica	<i>(Non-executive Director)</i>
Mr. YANG Harry	<i>(Independent Non-executive Director)</i>
Mr. HO Yau Hong, Alfred	<i>(Independent Non-executive Director)</i>
Ms. XIANG Ling	<i>(Independent Non-executive Director)</i>

* *For identification purpose only*