NEW CENTURY GROUP HONG KONG LIMITED
新世紀集團香港有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 234)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2009

The board of directors (the "Board") of New Century Group Hong Kong Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
REVENUE	5	**219,148**	303,482
Cost of services provided		**(53,631)**	(61,500)
Gross profit		**165,517**	241,982
Other income and gains	5	**15,892**	13,029
Selling and distribution costs		**(17,420)**	(4,561)
Administrative expenses		**(38,490)**	(45,389)
Foreign exchange differences, net		**(27,595)**	10,293
Other expenses, net	6	**(5,833)**	(3,593)
Fair value losses on cruise ships		**(56,970)**	–
Fair value gains/(losses) on investment properties		**(102,000)**	76,430
Finance costs	7	**(7,186)**	(11,481)
PROFIT/(LOSS) BEFORE TAX	6	**(74,085)**	276,710
Tax	8	**24,132**	131
PROFIT/(LOSS) FOR THE YEAR		**(49,953)**	276,841

* *For identification only*

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CONSOLIDATED INCOME STATEMENT (continued)
Year ended 31 March 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Attributable to:			
Equity holders of the Company		**(69,704)**	176,198
Minority interests		**19,751**	100,643
		(49,953)	276,841
DIVIDEND	9		
Proposed final		**20,179**	–
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
Basic (2008: restated)		**HK(1.21) cents**	HK3.15 cents
Diluted (2008: restated)		**N/A**	HK3.12 cents

CONSOLIDATED BALANCE SHEET
31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**236,887**	360,719
Investment properties		**624,250**	753,700
Prepaid land premiums		**15,045**	16,656
Property under development		**–**	–
Available-for-sale investments		**780**	780
Deferred tax assets		**11,193**	276
Pledged time deposit		**–**	17,550
Total non-current assets		**888,155**	1,149,681
CURRENT ASSETS			
Inventories		**796**	840
Prepaid land premiums		**786**	910
Trade receivables, prepayments, deposits and other receivables	11	**52,357**	95,159
Equity investments at fair value through profit or loss		**207,395**	31,571
Due from a related company		**–**	345
Pledged time deposit		**17,550**	–
Cash and cash equivalents		**276,039**	364,920
Total current assets		**554,923**	493,745
CURRENT LIABILITIES			
Interest-bearing bank loans		**26,577**	31,898
Mortgage loan advanced from a fellow subsidiary		**3,305**	3,553
Trade payables, accruals, other payables and deposits received	12	**48,566**	74,310
Tax payable		**3,747**	3,803
Due to a related company		**1,004**	–
Total current liabilities		**83,199**	113,564
NET CURRENT ASSETS		**471,724**	380,181
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,359,879**	1,529,862

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CONSOLIDATED BALANCE SHEET (continued)
31 March 2009

	Note	2009 HK$'000	2008 HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank loans		**70,544**	97,094
Mortgage loan advanced from a fellow subsidiary		**52,610**	62,493
Loans advanced from minority shareholders of the Group's subsidiaries		**222,727**	233,421
Deposits received	12	**9,064**	7,562
Deferred tax liabilities		**20,143**	34,349
Total non-current liabilities		**375,088**	434,919
Net assets		**984,791**	1,094,943
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		**14,414**	13,728
Reserves		**948,026**	1,059,052
Proposed final dividend		**20,179**	–
		982,619	1,072,780
Minority interests		**2,172**	22,163
Total equity		**984,791**	1,094,943

Notes:

1. **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, cruise ships, office premises and equity investments at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$").

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2009. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets or liabilities of the Company's subsidiaries.

2. **IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The adoption of these new interpretations and amendments has had no significant financial effect on the financial statements and there have been no significant changes to the accounting policies applied in the financial statements.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*[1]
HKFRS 1 (Revised)	*First-time Adoption of HKFRSs*[3]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*[1]
HKFRS 3 (Revised)	*Business Combinations*[3]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial instruments: Disclosures – Improving Disclosures about Financial Instruments*[1]
HKFRS 8	*Operating Segments*[1]
HKAS 1 (Revised)	*Presentation of Financial Statements*[1]
HKAS 23 (Revised)	*Borrowing Costs*[1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[3]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*[1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*[3]
HK(IFRIC)-Int 9 and HKAS 39 Amendment	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*[2]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*[4]
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*[1]
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*[5]
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners*[3]
HK(IFRIC)-Int 18	*Transfers of Assets from Customers*[3]

Apart from the above, the HKICPA has also issued *Improvements to HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording and is effective for annual periods beginning on or after 1 January 2009. Except for the amendment to HKFRS 5 which is effective for annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 30 June 2009
[3] Effective for annual periods beginning on or after 1 July 2009
[4] Effective for annual periods beginning on or after 1 July 2008
[5] Effective for annual periods beginning on or after 1 October 2008
* Improvements to HKFRSs contains amendments to HKFRS 2, HKFRS 5, HKFRS 7, HKFRS 8, HKAS 1, HKAS 7, HKAS 8, HKAS 10, HKAS 16, HKAS 17, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40, HKAS 41, HK(IFRIC)–Int 9 and HK(IFRIC)–Int 16.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKFRS 3 (Revised), HKAS 23 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the cruise ship charter services segment engages in the provision of chartering services of cruise ships;

(b) the hotel operations segment engages in the operations of a hotel property in Indonesia;

(c) the property investments segment invests in prime office space and commercial shops for its rental income potential; and

(d) the securities trading segment engages in the trading of marketable securities for short-term investment purposes.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

There were no intersegment sales and transfers during the year (2008: Nil). During the year, the Group included the securities trading segment as one of its principal activities and accordingly its financial information has been presented in a separate segment. Prior year financial information has been restated to conform with current year presentation.

(i) Business segments

The following tables present revenue, profit/(loss) and certain assets, liabilities and expenditure information for the Group's business segments for the years ended 31 March 2009 and 2008.

	Cruise ship charter services		Hotel operations		Property investments		Securities trading		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Income from external customers	**221,823**	242,668	**28,089**	26,600	**29,857**	27,814	**(60,621)**	6,400	**219,148**	303,482
Other income and gains	**17**	3	**9,884**	3,448	**1,627**	986	**–**	–	**11,528**	4,437
Total	**221,840**	242,671	**37,973**	30,048	**31,484**	28,800	**(60,621)**	6,400	**230,676**	307,919
Segment results	**101,372**	206,559	**(6,015)**	(11,415)	**(93,866)**	80,757	**(60,804)**	6,329	**(59,313)**	282,230
Interest income and unallocated gains									**4,368**	19,299
Corporate and other unallocated expenses									**(11,954)**	(13,338)
Finance costs									**(7,186)**	(11,481)
Profit/(loss) before tax									**(74,085)**	276,710
Tax									**24,132**	131
Profit/(loss) for the year									**(49,953)**	276,841

	Cruise ship charter services		Hotel operations		Property investments		Securities trading		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets and liabilities:										
Segment assets	**234,216**	368,059	**30,950**	41,752	**644,641**	775,139	**225,398**	72,542	**1,135,205**	1,257,492
Corporate and other unallocated assets									**307,873**	385,934
Total assets									**1,443,078**	1,643,426
Segment liabilities	**23,793**	44,461	**21,442**	26,169	**11,929**	9,191	**5**	2	**57,169**	79,823
Corporate and other unallocated liabilities									**401,118**	468,660
Total liabilities									**458,287**	548,483
Other segment information:										
Depreciation and amortisation	**24,109**	35,871	**3,749**	4,091	**1,296**	1,264	**–**	–	**29,154**	41,226
Corporate and other unallocated amounts									**425**	460
									29,579	41,686
Impairment of items of property, plant and equipment	**–**	–	**(5,837)**	(3,900)	**–**	–	**–**	–	**(5,837)**	(3,900)
Fair value gains/(losses) on investment properties	**–**	–	**–**	–	**(102,000)**	76,430	**–**	–	**(102,000)**	76,430
Revaluation deficit of cruise ships charged to income statement	**(56,970)**	–	**–**	–	**–**	–	**–**	–	**(56,970)**	–
Revaluation gain of office premises	**–**	–	**–**	–	**4**	307	**–**	–	**4**	307
Fair value loss on equity investments at fair value through profit or loss, net	**–**	–	**–**	–	**–**	–	**(43,965)**	(878)	**(43,965)**	(878)
Capital expenditure	**–**	1,396	**2,449**	2,733	**83**	14	**–**	–	**2,532**	4,143
Corporate and other unallocated amounts									**32**	513
									2,564	4,656

(ii) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2009 and 2008.

	Southeast Asia except Hong Kong		Hong Kong		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Income from external customers	**259,550**	278,408	**(40,402)**	25,074	**219,148**	303,482
Other income and gains	**11,242**	4,418	**286**	19	**11,528**	4,437
	270,792	282,826	**(40,116)**	25,093	**230,676**	307,919
Other segment information:						
Segment assets	**531,689**	770,903	**911,389**	872,523	**1,443,078**	1,643,426
Capital expenditure	**2,498**	4,129	**66**	527	**2,564**	4,656

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents cruise ship charter service income, slot machine income, income from hotel operations, gross rental income received, receivable from investment properties and income from securities trading during the year.

An analysis of revenue, other income and gains is as follows:

		2009	2008
	Note	***HK$'000***	*HK$'000*
Revenue			
Cruise ship charter service income		**124,375**	153,475
Slot machine income		**97,448**	89,193
Income from hotel operations		**28,089**	26,600
Gross rental income	6	**29,857**	27,814
Gain/(loss) on trading of equity investments at fair value through profit or loss held for trading*		**(19,681)**	6,762
Fair value loss on equity investments at fair value through profit or loss, net*		**(43,965)**	(878)
Dividend income from equity investments at fair value through profit or loss held for trading*		**3,025**	516
		219,148	303,482

	2009	2008
	HK$'000	*HK$'000*
Other income		
Bank interest income	**4,338**	8,559
Waiver from creditors and a related company on long outstanding trade payables	**7,437**	–
Others	**4,117**	4,470
	15,892	13,029

* During the year, the Group included the securities trading segment as one of its principal activities and accordingly gain/(loss) on trading of securities, fair value loss on securities and dividend income have been classified as revenue. Prior year financial information has been restated to conform with current year presentation.

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

		2009	2008
	Note	***HK$'000***	*HK$'000*
Depreciation		**28,743**	40,784
Auditors' remuneration		**1,300**	1,480
Employee benefit expense (including directors' remuneration):			
Wages and salaries		**19,591**	19,150
Equity-settled share option expense		**–**	10,504
Pension scheme contributions		**670**	673
Total staff costs		**20,261**	30,327
Minimum lease payments under operating leases on land and buildings		**170**	158
Foreign exchange differences, net		**27,595**	(10,293)
Gross rental income	5	**(29,857)**	(27,814)
Less: Direct operating expenses		**1,813**	1,758
Net rental income		**(28,044)**	(26,056)
Other expenses:			
Revaluation surplus of office premises in Hong Kong		**(4)**	(307)
Impairment of items of property, plant and equipment		**5,837**	3,900
		5,833	3,593

7. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Interest on bank loans	**4,208**	8,635
Interest on a mortgage loan advanced from a fellow subsidiary	**2,968**	2,846
Interest on securities margin facilities	**10**	–
	7,186	11,481

8. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. The lower Hong Kong profits tax rate is effective from the year of assessment 2008/2009, and so is applicable to the assessable profits arising in Hong Kong for the whole year ended 31 March 2009. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2009	2008
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**127**	1,102
Underprovision/(overprovision) in prior years	**(25)**	22
Current – Elsewhere	**889**	809
Deferred	**(25,123)**	(2,064)
Total tax credit for the year	**(24,132)**	(131)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax using the statutory rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2009	**Hong Kong**		**Elsewhere***		**Total**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Profit/(loss) before tax	**(161,745)**		**87,660**		**(74,085)**	
Tax at the statutory tax rate	**(26,688)**	**16.5**	**16,260**	**18.5**	**(10,428)**	**14.1**
Effect on opening deferred tax of decrease in rate	**(1,947)**	**1.2**	**–**	**–**	**(1,947)**	**2.6**
Income not subject to tax	**(863)**	**0.5**	**(20,543)**	**(23.4)**	**(21,406)**	**28.9**
Expenses not deductible for tax	**3,588**	**(2.2)**	**4,443**	**5.1**	**8,031**	**(10.8)**
Overprovision in current tax in prior years	**(25)**	**–**	**–**	**–**	**(25)**	**–**
Tax losses utilised from previous period	**(162)**	**0.1**	**(320)**	**(0.4)**	**(482)**	**0.7**
Unrecognised deferred tax assets	**552**	**(0.3)**	**1**	**–**	**553**	**(0.8)**
Others	**524**	**(0.3)**	**1,048**	**1.2**	**1,572**	**(2.1)**
Tax charge/(credit) at the Group's effective rate	**(25,021)**	**15.5**	**889**	**1.0**	**(24,132)**	**32.6**

2008	Hong Kong		Elsewhere*		Total	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Profit before tax	25,494		251,216		276,710	
Tax at the statutory tax rate	4,461	17.5	46,132	18.3	50,593	18.3
Income not subject to tax	(2,954)	(11.6)	(46,465)	(18.4)	(49,419)	(17.9)
Expenses not deductible for tax	115	0.5	30	–	145	0.1
Underprovision in current tax in prior years	22	0.1	–	–	22	–
Unrecognised deferred tax assets	1,466	5.7	1,111	0.4	2,577	0.9
Others	–	–	(4,049)	(1.6)	(4,049)	(1.5)
Tax charge/(credit) at the Group's effective rate	3,110	12.2	(3,241)	(1.3)	(131)	(0.1)

* Elsewhere comprised of Singapore and Indonesia with statutory tax rates of 18% (2008: 18%) and 10% (2008: 10%), respectively.

9. DIVIDEND

	2009 HK$'000	2008 HK$'000
Proposed final – HK0.35 cent (2008: Nil) per ordinary share	**20,179**	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the bonus issue of the Company during the year.

The calculation of the diluted earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings/(loss) per share amounts are based on:

	2009 HK$'000	2008 HK$'000 (Restated)
Earnings		
Profit/(loss) attributable to ordinary equity holders of the Company	**(69,704)**	176,198
Shares*		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings/(loss) per share calculation	**5,765,288,705**	5,595,602,968
Effect of dilution** – weighted average number of ordinary shares:		
Share options	**–**	50,038,146
	5,765,288,705	5,645,641,114

* The weighted average number of ordinary shares in issue for both years have been adjusted to reflect the bonus issue which took place during the year. Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 2 September 2008, bonus shares were issued on the basis of one new share for every twenty shares held on 2 September 2008.

** There is no effect of dilution for the year ended 31 March 2009 since the antidilutive effect was resulted during the year.

11. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group's billing terms with customers are mainly on credit. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management. Trade receivables are non-interest-bearing.

	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**35,452**	30,464
1 to 2 months	**8,355**	16,911
2 to 3 months	**886**	12,935
Over 3 months	**2,286**	648
Trade receivables	**46,979**	60,958
Prepayments	**2,418**	2,065
Deposits and other receivables	**2,960**	32,136
	52,357	95,159

12. TRADE PAYABLES, ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

The aged analysis below shows the Group's trade payables, based on goods receipt date and the date when services are rendered.

	2009	2008
	HK$'000	*HK$'000*
Trade payables:		
Current to 180 days	**2,269**	3,120
Over 180 days	**11,254**	17,632
	13,523	20,752
Accruals	**17,720**	2,690
Other payables and deposits received	**26,387**	58,430
	57,630	81,872

Deposits received of HK$9,064,000 (2008: HK$7,562,000) were included as a non-current liability. The trade and other payables are non-interest-bearing and are normally settled on 90-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 31 March 2009, the Group's principal activities included cruise ship charter services, hotel operations, property investments and the newly-added securities trading.

The Group reported total revenue of HK$219.1 million (2008: HK$303.5 million), representing a drop of 27.8%. The decrease was due to the drop in cruise ship charter service income and the inclusion of securities trading as one of its principal activities, which recorded the significant realized and unrealized net losses under the difficult year in 2008. The Group recorded consolidated loss attributable to equity holders of the Company of HK$69.7 million (2008: profit of HK$176.2 million). Basic loss per share was HK1.21 cents (2008: earnings of HK3.15 cents). The net assets value marked a decrease to HK$984.8 million compared with HK$1,094.9 million for the last corresponding year.

The decline in profit was mainly due to the following factors: (i) fair value losses on cruise ships of HK$57.0 million (2008: Nil); (ii) impairment of hotel premises of HK$5.8 million (2008: HK$3.9 million); (iii) fair value losses on investment properties of HK$102.0 million (2008: gains of HK$76.4 million); (iv) net losses on securities trading of HK$60.8 million (2008: net gains of HK$6.3 million); and (v) devaluation of Singapore dollar to Hong Kong dollar, which resulted in exchange losses of HK$27.6 million (2008: gains of HK$10.3 million) for the Group.

Dividend

The Board recommends the payment of a final dividend of HK0.35 cent per share payable to equity holders whose names appear on the register of members of the Company on 4 September 2009. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held on 4 September 2009, the final dividend will be paid on 18 September 2009.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 31 August 2009 to Friday, 4 September 2009, both days inclusive, during which period no transfer of Company's shares will be registered. In order to qualify for the proposed final dividend, all share certificates with duly completed transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 28 August 2009.

Operations

Cruise Ship Charter Services

The cruise ship charter services of "Leisure World" and "Amusement World" (the "Cruise Ships") continues to produce solid performance in the year under review. It remains as the principal contributor to the Group's revenue. Revenue from the cruise ship charter services segment amounted to HK$221.8 million, representing a slight decrease of 8.6% as compared to HK$242.7 million last year. The decrease in revenue was due to the global financial crisis, which resulted in worsening economic conditions and the drop in charter service income for new charter agreements of the Cruise Ships executed in the fourth quarter of 2008. Its segment profit dropped to HK$101.4 million as compared to HK$206.6 million last year. The fall of segment profit was mainly due to (i) fair value losses on the Cruise Ships of HK$57.0 million (2008: Nil); (ii) devaluation of Singapore dollar to Hong Kong dollar, which resulted in significant exchange losses of HK$17.0 million (2008: gains of HK$6.0 million) for the year; and (iii) advertising expenses of HK$16.3 million (2008: HK$3.8 million) to attract visitors for cruise travel.

Hotel Operations

For the year under review, the hotel operations at Batam View Beach Resort on Batam Island in Indonesia remained stable and provided synergy to the Group's cruise ship charter services. The business recorded revenue of HK$28.1 million (2008: HK$26.6 million). Its segment result has been greatly improved to a loss of HK$6.0 million, as compared to a loss of HK$11.4 million last year. Excluding the effect of exchange loss of HK$5.4 million (2008: HK$6.1 million) and impairment in value of HK$5.8 million (2008: HK$3.9 million), the operating profit for the year was HK$5.2 million (2008: a loss of HK$1.4 million).

Property Investments

The Group's property investments recorded a steady 7.6% increase in revenue to HK$29.9 million, as compared to HK$27.8 million last year. However, its segment result suffered a loss of HK$93.9 million, as compared to a profit of HK$80.8 million last year. The property market declined during the year as a result of the global financial downturn. The decline in market value gave rise to significant adverse impact on the property investments segment since the second half of 2008. Consequently, significant fair value losses were noted for both properties in Singapore and Hong Kong. As at 31 March 2009, AIG Building in Singapore ("AIG Building") was valued at SG$43.5 million (31 March 2008: SG$48.0 million). Fair value losses of AIG Building and properties in Hong Kong were HK$24.3 million (2008: gains of HK$53.0 million) and HK$77.7 million (2008: gains of HK$23.4 million) respectively. Excluding the above fair value losses, recurring profit of property investments would have been HK$8.1 million (2008: HK$4.4 million).

Although the financial turmoil had a negative impact on property values, rental income of the Group benefited from positive rental trends that began in 2007. The average annual rental yield derived from investment properties in Hong Kong and Singapore rose to 4.8% (2008: 3.7%). The Group managed to achieve an occupancy rate of about 100% for all of its rental properties during the year and maintain stable rental income.

In view of the cut in Hong Kong savings rate to nearly zero in late May 2009, some cash-rich investors re-entered the property market in a bid to offset the depreciation of money amid inflationary economy. That put the overall property market in Hong Kong on the upward track again.

Securities Trading

In view of the volatility and lower price-earning ratio of shares in Hong Kong, the Group has identified securities trading as one of its principal activities since October 2008. In 2008, the securities market in Hong Kong experienced severe volatility because of the global financial tsunami. The continuous falling trend of the securities market resulted in significant net losses of HK$60.8 million (2008: net gains of HK$6.3 million) in this segment, which included realized loss of HK$19.7 million and unrealized loss of HK$44.0 million.

The Hang Seng index stood at 13,576 as at 31 March 2009. The securities market regained its growth momentum since April 2009. It rose by 35.4% to 18,378 on 30 June 2009.

Contingent Liabilities

As at 31 March 2009, the Company had outstanding guarantees of HK$210.3 million (2008: HK$210.3 million) given to banks to secure general credit facilities for certain subsidiaries of the Company. Credit facilities in an aggregate amount of HK$79.6 million (2008: HK$88.0 million) had been utilized by the subsidiaries in respect of such guarantees as at the balance sheet date.

Charge on the Group's Assets

As at 31 March 2009, some of the Group's prepaid land premiums, leasehold office premises and investment properties with an aggregate value of HK$592.6 million; a cruise ship with a value of HK$132.6 million; equity investments with a carrying value of HK$46.5 million; and a fixed deposit of HK$17.6 million were pledged to banks, a fellow subsidiary and securities dealers for loan facilities worth HK$348.4 million granted to the Group. As at 31 March 2009, HK$153.0 million of the loan facilities had been utilized by the Group.

Liquidity and Financial Resources

As at 31 March 2009, the Group had net current assets of HK$471.7 million and equity attributable to equity holders of the Company of HK$982.6 million.

The Group's total indebtedness (representing the aggregate amounts of interest-bearing loans from banks and a fellow subsidiary) was HK$153.0 million. All loans were denominated in Hong Kong dollars, United States dollars or Singapore dollars and charged at floating interest rates. It was secured by: i) mortgages over some of the Group's properties that have an aggregate net book value of HK$592.6 million; ii) a cruise ship with a value of HK$132.6 million; and iii) a fixed deposit of HK$17.6 million.

Regarding the total indebtedness, HK$29.9 million will be repayable within one year, HK$60.6 million will be repayable from the second to fifth years and the remaining balance of HK$62.5 million will be repayable after five years. The Group's gearing ratio (total indebtedness divided by equity attributable to equity holders of the Company) as at the balance sheet date was reduced to 0.16 as compared to 0.18 as at 31 March 2008.

As at 31 March 2009, the Group could not meet the relevant debt covenants of a bank loan of HK$17.6 million in relation to the requirements on fair value of a cruise ship and the net worth of the subsidiary which entered into the loan agreement. The bank loan was accordingly classified as a current liability on the balance sheet. Subsequent to the balance sheet date, such debt covenants had been relinquished upon full settlement of the related loan. There was no breach of covenants as at the date of this announcement.

Capital Structure

During the year under review, there was a bonus issue of ordinary shares to shareholders on the basis of one bonus share for every twenty shares held. Consequently, the issued share capital of the Company increased from HK$13.7 million (represented by 5,490,751,148 ordinary shares) to HK$14.4 million (represented by 5,765,288,705 ordinary shares) as at 31 March 2009.

Exposure on Equity Price Risk, Foreign Exchange Risk and Interest Rate Risk

The Group is exposed to equity price risk arising from individual equity investments classified as trading equity investments. The Group's listed investments are listed on the Stock Exchange of Hong Kong and are valued at quoted market prices at the balance sheet date.

The Group's cash and cash equivalents are mainly held predominately in Hong Kong dollars, United States dollars or Singapore dollars. The Group's borrowings are denominated in Hong Kong dollars, United States dollars or Singapore dollars at floating interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's long term debt obligations with a floating interest rate. In the opinion of the directors, the Group's has no significant interest rate risk. As the impact from foreign exchange exposure is minimal, no hedging against foreign currency exposure is necessary.

Human Resources

As at 31 March 2009, the Group had 269 staff. 237 of them were based in Indonesia, 6 in Singapore and 26 in Hong Kong. The remuneration policies of the Group are to ensure fairness and competitiveness in order to motivate and retain employees and to attract potential ones. Besides, discretionary bonuses and share options are granted to eligible staff based on both individual and the Group's performance. As at 31 March 2009, the Group had 139.2 million outstanding share options granted to eligible executives and employees of the Group.

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

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

CORPORATE GOVERNANCE

The Board has adopted the principles and complied with all the applicable provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2009, except for certain deviations as specified with considered reasons for such deviations as explained below.

Code Provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors of the Company are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to the bye-law 87 of the Company where provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

Code Provision E.1.2

Code provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting of the Company and arrange for the chairmen of the audit and remuneration committees or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting.

Owing to another business engagement, Mr. Wilson Ng, the chairman of the Board, was unable to attend the annual general meeting of the Company held on 2 September 2008. In his absence, Mr. Ng Wee Keat, the chief executive officer of the Company (who is also the chairman of the remuneration committee) attended and took the chair of the said annual general meeting and ensured that proceedings of the meeting were conducted in order, whereas the chairman of the audit committee was also present at the meeting. The Company considers that the members of the Board, the audit committee and the remuneration committee who attended the said annual general meeting were already of sufficient calibre and numbers to address shareholders' questions at the meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code during the year.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee also reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2009. As at the date of this announcement, the audit committee comprises three independent non-executive directors of the Company.

On behalf of the Board
Wilson Ng
Chairman

Hong Kong, 22 July 2009

As at the date of this announcement, the Board comprises Mr. Wilson Ng (Chairman), Ms. Sio Ion Kuan (Deputy Chairman), Mr. Ng Wee Keat (Chief Executive Officer), Ms. Ng Siew Lang, Linda (Chief Operating Officer), Ms. Lilian Ng, Ms. Chen Ka Chee and Mr. Yu Wai Man as executive directors and Mr. Wong Kwok Tai, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming as independent non-executive directors.