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## **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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

#### **THE AGREEMENT**

The Board is pleased to announce that after trading hours of the Stock Exchange on 23 May 2014, the Purchaser and the Vendor entered into the Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares at the Consideration of HK\$10.0 million.

The Target is an investment holding company and its principal asset is its 50% equity interests in PT. Horizon which in turn owns a resort with beach frontage and a four-star hotel operating in Batam Island, Indonesia.

Based on the Consideration and the unaudited consolidated net liabilities of the Target Group attributable to the owners of the Target of approximately HK\$2.3 million as at 31 March 2014, it is estimated that, upon the completion of the Disposal, the Group will record a gain on disposal of approximately HK\$11.3 million after expenses as a result of the Disposal.

The net proceeds from the Disposal, after deducting expenses attributable to the Disposal of approximately HK\$1.0 million, are estimated to be approximately HK\$9.0 million. The Board intends to apply such net proceeds to general working capital of the Group.

#### **LISTING RULES IMPLICATION**

As one of the applicable percentage ratios for the Disposal calculated in accordance with Rule 14.07 of the Listing Rules is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

\* For identification purpose only

As at the date of this announcement, the Purchaser owns the 50% equity interests in PT. Horizon and is indirectly held by Huang Group which is interested in approximately 59.91% of the existing issued share capital of the Company. By virtue of Huang Group's interests in the Purchaser and the Company, the Purchaser is a connected person of the Company and the Disposal also constitutes a connected transaction of the Company. Accordingly, the Disposal is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. New Century Investment Pacific Limited, New Century (Huang's) Foundation Limited, Mr. Ng (Huang) Cheow Leng, Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda, Ms. Lilian Ng and Ms. Chen Ka Chee and their respective associates will abstain from voting on the ordinary resolution to be proposed at the SGM for the approval of the Disposal.

### **GENERAL**

The Independent Board Committee has been established to give recommendations to the Independent Shareholders on the terms of the Agreement. Hercules Capital has been appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, amongst other things, (i) details of the Disposal; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Hercules Capital to the Independent Board Committee and the Independent Shareholders in relation to the Disposal; (iv) the valuation report in respect of the Property; and (v) a notice convening the SGM is expected to be despatched to the Shareholders on or before 16 June 2014.

### **THE AGREEMENT**

After trading hours of the Stock Exchange on 23 May 2014, the Purchaser and the Vendor entered into the Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares. Set out below are the principal terms of the Agreement.

**Date:**

23 May 2014

**Parties:**

Vendor: Goodassist Management Limited, a direct wholly-owned subsidiary of the Company

Purchaser: Castletop Investments Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an investment holding company and holds 50% equity interests in PT. Horizon and indirectly held by Huang Group which is interested in approximately 59.91% of the existing issued share capital of the Company as at the date of this announcement. Accordingly, the Purchaser is a connected person of the Company.

**Assets to be disposed of:**

Pursuant to the Agreement, the assets to be disposed of by the Vendor to the Purchaser are the Sale Shares, representing the entire equity interests in the Target. The Target is an investment holding company and its principal asset is its 50% equity interests in PT. Horizon which in turn owns a resort with beach frontage and a four-star hotel operating in Batam Island, Indonesia.

**Consideration:**

The Consideration of HK\$10.0 million is payable in the following manner:

- (i) as to HK\$2.0 million in cash as deposit which has been paid by the Purchaser upon the signing of the Agreement; and
- (ii) as to HK\$8.0 million, being the balance of the Consideration, shall be paid by telegraphic transfer upon the completion of the Disposal.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the unaudited consolidated net liabilities of the Target Group attributable to owners of the Target of approximately HK\$2.3 million as at 31 March 2014 adjusted by a revaluation surplus based on a valuation of the Property of S\$4.6 million as at 31 March 2014 (equivalent to approximately HK\$28.3 million) performed by an independent property valuer. The Directors consider that the consideration is fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

**Condition precedent:**

The completion of the Disposal is conditional upon the passing by the Independent Shareholders of an ordinary resolution to approve the Agreement and the transactions contemplated thereunder at the SGM. The condition precedent is not capable of being waived.

If the condition set out above is not fulfilled on or before 29 August 2014 or such other date as may be agreed between the Vendor and the Purchaser in writing, the Agreement shall terminate and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise (save in respect of any prior breach of the Agreement) and the Vendor shall within 10 Business Days upon demand refund the full amount of the deposit (without interest) to the Purchaser.

## **Completion**

The completion of the Agreement shall take place at 4:00 p.m. on the third Business Day following the date of fulfillment of the condition precedent referred to above, or such other day as agreed by the Vendor and the Purchaser.

Upon the completion of the Disposal, the Company will have no interest in the Target Group. As a result, members of the Target Group will cease to be subsidiaries of the Company.

## **INFORMATION ON THE TARGET GROUP**

The Target is an investment holding company incorporated in the BVI with limited liability and is wholly owned by the Vendor. The Target Group is principally engaged in operating resort business and its principal asset is its 50% equity interests in PT. Horizon which in turn owns a resort with beach frontage operating in Nongsa East Coast, Batam Island, Riau Province of Indonesia. The Property comprises a four-star hotel, restaurants and other ancillary buildings including swimming pools and tennis courts. The hotel provides 194 furnished and fully equipped rooms and 18 chalet units.

### **Financial information of the Target Group**

Set out below is the unaudited consolidated financial information of the Target Group for the financial years ended 31 March 2013 and 31 March 2014 as prepared in accordance with the Hong Kong Financial Reporting Standards:

	<b>For the year ended 31 March</b>	
	<b>2013</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	59	7,070
Loss after taxation	59	7,070

As at 31 March 2014, the unaudited consolidated net liabilities of the Target Group attributable to the owners of the Target was approximately HK\$2.3 million.

### **FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS**

Based on the Consideration and the unaudited consolidated net liabilities of the Target Group attributable to the owners of the Target of approximately HK\$2.3 million as at 31 March 2014, it is estimated that, upon the completion of the Disposal, the Group will record a gain on disposal of approximately HK\$11.3 million after expenses as a result of the Disposal.

The net proceeds from the Disposal, after deducting expenses attributable to the Disposal of approximately HK\$1.0 million, are estimated to be approximately HK\$9.0 million. The Board intends to apply such net proceeds to general working capital of the Group.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in the provision of cruise ship charter services, hotel operations, property investments and securities trading.

The Target Group has been loss making in recent years. The Target Group recorded net loss for the financial years ended 31 March 2013 and 31 March 2014 of approximately HK\$59,000 and HK\$7.1 million respectively mainly due to the business competition of the Group with other resort hotels located nearby and the increase in hotel operating costs. The operating margin of the Target Group showed no significant improvement during the past few years and the hotel industry in Indonesia is challenging. The Directors consider that the Disposal provides the Group with an exit opportunity to realize its loss-making investment at a reasonable price and to provide additional working capital for the Group.

The Directors (excluding the independent non-executive Directors who will express their views after having considered the advice of Hercules Capital) consider that the terms of the Agreement are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATION**

As one of the applicable percentage ratios for the Disposal as calculated in accordance with Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Purchaser owns the 50% equity interests in PT. Horizon and is indirectly held by Huang Group which is interested in approximately 59.91% of the existing issued share capital of the Company. By virtue of Huang Group's interests in the Purchaser and the Company, the Purchaser is a connected person of the Company and the Disposal also constitutes a connected transaction of the Company. Accordingly, the Disposal is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the date of this announcement, (i) 3,455,753,691 Shares are held by New Century Investment Pacific Limited which is ultimately owned by Huang Group under a discretionary trust of which Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda and Ms. Lilian Ng are the discretionary beneficiaries; (ii) 304,640,000 Shares are held by New Century (Huang's) Foundation Limited, a company limited by guarantee being a charitable institution of public character of which Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda and Ms. Lilian Ng are members and members of

its council of management; and (iii) 269,492,000 Shares, 30,030,000 Shares, 42,000,000 Shares, 26,250,000 Shares, 26,250,000 Shares and 8,400,000 Shares are held by Mr. Ng (Huang) Cheow Leng, Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda, Ms. Lilian Ng and Ms. Chen Ka Chee respectively. New Century Investment Pacific Limited, New Century (Huang's) Foundation Limited, Mr. Ng (Huang) Cheow Leng, Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda, Ms. Lilian Ng and Ms. Chen Ka Chee and their respective associates will abstain from voting on the ordinary resolution to be proposed at the SGM for the approval of the Disposal.

## **GENERAL**

The Independent Board Committee has been established to give recommendations to the Independent Shareholders on the terms of the Agreement. Hercules Capital has been appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, (i) details of the Disposal; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Hercules Capital to the Independent Board Committee and the Independent Shareholders in relation to the Disposal; (iv) the valuation report of the Property; and (v) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 16 June 2014.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Agreement”	the conditional sale and purchase agreement dated 23 May 2014 entered into between the Purchaser and the Vendor in relation to the Disposal
“associates”	has the meaning ascribed to it in under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than Saturday and Sunday) on which banks are generally open for business in Hong Kong
“BVBR Pte”	BVBR Pte. Ltd., a company incorporated in Singapore
“BVI”	British Virgin Islands

“Company”	New Century Group Hong Kong Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on main board of the Stock Exchange (stock code: 234)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	consideration of HK\$10.0 million for the Sale Shares payable by the Purchaser pursuant to the Agreement
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor pursuant to the terms and conditions of the Agreement
“Group”	the Company and its subsidiaries
“Hercules Capital”	Hercules Capital Limited, a corporation licensed to carry out type 6 regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huang Group”	Huang Group (BVI) Limited, a company incorporated in the BVI with limited liability and indirectly holds (i) the entire equity interests of the Purchaser and (ii) 59.91% of the equity interests of the Company
“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors established to make recommendations to the Independent Shareholders on the terms of the Agreement
“Independent Shareholders”	Shareholders other than New Century Investment Pacific Limited, New Century (Huang’s) Foundation Limited, Mr. Ng (Huang) Cheow Leng, Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda, Ms. Lilian Ng and Ms. Chen Ka Chee and their respective associates

“Indonesia”	the Republic of Indonesia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Batam View Beach Resort located in Nongsa East Coast, Batam Island, Riau Province of Indonesia
“PT. Horizon”	PT. Horizon Bandar Bahru, a company incorporated in Indonesia
“PT. Dive”	PT. Dive Riau, a company incorporated in Indonesia
“Purchaser”	Castletop Investments Limited, a company incorporated in the BVI with limited liability
“Sale Shares”	two (2) shares of the Target, representing the entire issued share capital of the Target
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary shares of HK\$0.0025 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Smarter Cash Assets Limited, a company incorporated in the BVI with limited liability
“Target Group”	the Target and its subsidiaries, including PT. Horizon, PT. Dive and BVBR Pte
“Vendor”	Goodassist Management Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



“S\$” Singapore dollars, the lawful currency of Singapore

“%” per cent.

*Throughout this announcement, amounts in S\$ have been translated, for illustration only, into HK\$ at the exchange rate of S\$1.0=HK\$6.16.*

By order of the Board  
**NEW CENTURY GROUP HONG KONG LIMITED**  
**Ng Wee Keat**  
*Chairman*

Hong Kong, 23 May 2014

*As at the date of this announcement, the Board comprises Mr. Ng Wee Keat (Chairman), Ms. Sio Ion Kuan (Deputy Chairman), 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. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming as independent non-executive directors.*