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 2017

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 2017 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2017

	Note	**2017** *HK$'000*	2016 *HK$'000*
REVENUE	4	**182,616**	32,247
Cost of services provided		**(29,169)**	(18,259)
Gross profit		**153,447**	13,988
Other income and gains	4	**1,121**	1,771
Administrative expenses		**(25,426)**	(27,229)
Foreign exchange differences, net		**(1,514)**	(5,415)
Revaluation surplus/(deficit) on cruise ships		**(27,201)**	720
Fair value gains/(losses) on investment properties		**6,600**	(4,600)
Finance costs		**(796)**	(1,046)
Loss on dissolution of a subsidiary		**(242)**	–

* *For identification purpose only*

.../continued

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(continued)*

Year ended 31 March 2017

	Notes	**2017** ***HK$'000***	2016 *HK$'000*
PROFIT/(LOSS) BEFORE TAX	5	**105,989**	(21,811)
Income tax expense	6	**(622)**	(631)
PROFIT/(LOSS) FOR THE YEAR		**105,367**	(22,442)
Attributable to:			
Owners of the Company		**76,482**	(32,376)
Non-controlling interests		**28,885**	9,934
		105,367	(22,442)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK1.32 cents**	(HK0.56 cents)
Diluted		**HK1.32 cents**	(HK0.56 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2017

	2017	2016
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE YEAR	**105,367**	(22,442)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(10,855)**	11,237
Reclassification adjustment for the dissolution of a foreign operation during the year	**242**	–
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**(10,613)**	11,237
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Surplus on revaluation of a cruise ship	**9,725**	1,286
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**(888)**	12,523
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**104,479**	(9,919)
Attributable to:		
Owners of the Company	**74,325**	(23,837)
Non-controlling interests	**30,154**	13,918
	104,479	(9,919)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2017

	Notes	**2017**	2016
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**277,317**	290,738
Investment properties		**630,860**	628,425
Available-for-sale investment		**780**	780
Total non-current assets		**908,957**	919,943
CURRENT ASSETS			
Trade receivables	9	**6,054**	63,614
Derivative financial instruments		**159**	–
Prepayments, deposits and other receivables	10	**4,606**	5,004
Equity investments at fair value through profit or loss		**422,001**	384,217
Tax recoverable		**2,843**	2,836
Cash and cash equivalents		**389,363**	298,219
Total current assets		**825,026**	753,890
CURRENT LIABILITIES			
Derivative financial instruments		**839**	1,448
Interest-bearing bank and other borrowings		**2,245**	3,665
Accruals, other payables and deposits received	11	**39,436**	40,349
Total current liabilities		**42,520**	45,462
NET CURRENT ASSETS		**782,506**	708,428
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,691,463**	1,628,371

.../continued

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 March 2017

	Note	**2017**	2016
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**21,138**	22,874
Loan advanced from a non-controlling shareholder of the Group's subsidiaries		**171,823**	171,823
Deposits received	11	**3,123**	3,415
Deferred tax liabilities		**3,111**	2,470
Total non-current liabilities		**199,195**	200,582
Net assets		**1,492,268**	1,427,789
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**14,451**	14,451
Reserves		**1,460,042**	1,385,717
		1,474,493	1,400,168
Non-controlling interests		**17,775**	27,621
Total equity		**1,492,268**	1,427,789

Notes:

1. BASIS OF PREPARATION

The Group's 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 ("HKICPA"), 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 cruise ships, investment properties, equity investments at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. The financial statements are presented in Hong Kong dollar ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

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 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current liability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and amendments included in the *Annual Improvements 2012-2014 Cycle,* which are not relevant to the preparation of the Group's financial statements, the nature and impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

The amendments have had no impact on the Group's financial statements.

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their businesses and services and has three reportable operating segments as follows:

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

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

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, finance costs, loss on dissolution of a subsidiary as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents, tax recoverable and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, a loan advanced from a non-controlling shareholder of the Group's subsidiaries, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

There were no intersegment sales and transfers during the year (2016: Nil).

	Cruise ship charter services		Property investments		Securities trading		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Income from external customers	**104,824**	71,113	**20,833**	20,161	**56,959**	(59,027)	**182,616**	32,247
Other income and gains	**–**	–	**28**	2	**–**	–	**28**	2
Total revenue and other income	**104,824**	71,113	**20,861**	20,163	**56,959**	(59,027)	**182,644**	32,249
Segment results	**46,589**	54,500	**22,448**	8,162	**56,889**	(58,277)	**125,926**	4,385
Reconciliation:								
Interest income							**1,093**	1,750
Unallocated income							**–**	19
Loss on dissolution of a subsidiary							**(242)**	–
Corporate and other unallocated expenses							**(19,992)**	(26,919)
Finance costs							**(796)**	(1,046)
Profit/(loss) before tax							**105,989**	(21,811)

	Cruise ship charter services		Property investments		Securities trading		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**260,285**	277,707	**632,156**	630,027	**427,658**	442,526	**1,320,099**	1,350,260
Reconciliation:								
Corporate and other unallocated assets							**413,884**	323,573
Total assets							**1,733,983**	1,673,833
Segment liabilities	**35,501**	37,602	**5,466**	4,545	**839**	1,448	**41,806**	43,595
Reconciliation:								
Corporate and other unallocated liabilities							**199,909**	202,449
Total liabilities							**241,715**	246,044
Other segment information:								
Depreciation	**29,169**	18,259	**–**	–	**–**	–	**29,169**	18,259
Fair value losses/(gains) on investment properties	**–**	–	**(6,600)**	4,600	**–**	–	**(6,600)**	4,600
Revaluation deficit/(surplus) on cruise ships	**17,476**	(2,006)	**–**	–	**–**	–	**17,476**	(2,006)
Fair value losses/(gains) on equity investments at fair value through profit or loss, net	**–**	–	**–**	–	**(39,253)**	78,231	**(39,253)**	78,231
Fair value gains on derivative financial instruments, net	**–**	–	**–**	–	**(768)**	(2,960)	**(768)**	(2,960)
Capital expenditure*	**43,057**	215,794	**–**	–	**–**	–	**43,057**	215,794

* Capital expenditure consists of additions to property, plant and equipment.

Geographical information

(a) *Revenue, other income and gains from external customers*

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**65,717**	(22,885)
Southeast Asia except Hong Kong	**116,927**	55,134
	182,644	32,249

The revenue information of above is based on the locations of the customers.

(b) *Non-current assets*

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**520,117**	525,658
Southeast Asia except Hong Kong	**388,060**	393,505
	908,177	919,163

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

Revenue from customers of the corresponding years amounting to over 10% of the total revenue of the Group is as follows:

	2017	2016
	HK$'000	*HK$'000*
Customer A[1]	**88,852**	23,820
Customer B[1]	**N/A***	47,293
Customer C[2]	**N/A***	5,065

1 Revenue from the provision of cruise ship charter services

2 Rental income from investment properties

* Revenue from these customers amounted to less than 10% of the total revenue of the Group for the year ended 31 March 2017.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents cruise ship charter service income, gross rental income from investment properties, fair value gains/losses on equity investments at fair value through profit or loss, fair value gains/losses on derivative financial instruments and dividend income during the year.

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

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Cruise ship charter service income	**104,824**	71,113
Gross rental income from investment properties	**20,833**	20,161
Fair value gains/(losses) on equity investments at fair value through profit or loss – held for trading, net	**39,253**	(78,231)
Fair value gains on derivative financial instruments – transactions not qualifying as hedges, net	**768**	2,960
Dividend income from equity investments at fair value through profit or loss – held for trading	**16,938**	16,244
	182,616	32,247
Other income and gains		
Bank interest income	**1,093**	1,750
Others	**28**	21
	1,121	1,771

5. PROFIT/(LOSS) BEFORE TAX

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

	2017	2016
	HK$'000	*HK$'000*
Depreciation	**30,165**	19,504
Auditor's remuneration	**1,360**	1,318
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**14,225**	13,556
Pension scheme contributions	**685**	652
Total staff costs	**14,910**	14,208
Minimum lease payments under operating leases	**192**	184
Foreign exchange differences, net	**1,514**	5,415
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**2,748**	3,326
Fair value losses/(gains) on investment properties	**(6,600)**	4,600

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the year. In the prior year, no provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits in Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2017	2016
	HK$'000	*HK$'000*
Current - Elsewhere		
Charge for the year	**–**	7
Underprovision/(overprovision) in prior years	**(19)**	1
Deferred	**641**	623
Total tax charge for the year	**622**	631

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

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, and the number of ordinary shares of 5,780,368,705 (2016: 5,780,368,705) in issue during the year.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company. The 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/(loss) 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.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 March 2017 and 2016 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

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

	2017	2016
	HK$'000	*HK$'000*
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	**76,482**	(32,376)

	2017	2016
Shares		
Number of ordinary shares in issue during the year, used in the basic and diluted earnings/(loss) per share calculation	**5,780,368,705**	5,780,368,705

8. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 March 2017 (2016: Nil).

9. TRADE RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**6,054**	63,614

The Group's billing terms with customers are mainly on credit. Invoices are normally payable within 30 days of issuance. Each customer has a maximum credit limit. The Group seeks to maintain strict control over their outstanding receivables. Overdue balances are regularly reviewed by senior management. The main type of collateral held by the Group as security is deposits received from tenants and charterers with an aggregate fair value of HK$1,644,000 (2016: HK$12,189,000). Except trade receivables of HK$5,497,000 (2016: HK$58,310,000) which bear interest at fixed rates, the trade receivables are non-interest-bearing.

Below is an aged analysis of trade receivables, net of impairment, based on the invoice date, which is the date when the services are rendered.

	2017	2016
	HK$'000	*HK$'000*
Within 1 month	**6,054**	63,544
1 to 2 months	**–**	70
	6,054	63,614

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Prepayments	**935**	1,019
Deposits and other receivables	**3,671**	3,985
	4,606	5,004

None of the above assets is either past due or impaired and there was no recent history of default.

11. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

	2017	2016
	HK$'000	*HK$'000*
Accruals	**2,137**	1,859
Other payables and deposits received	**40,422**	41,905
	42,559	43,764
Portion classified as non-current liabilities	**(3,123)**	(3,415)
Current portion	**39,436**	40,349

The other payables are non-interest-bearing and are normally settled on 90-day terms.

CHAIRMAN'S STATEMENT

On behalf of the board of directors of New Century Group Hong Kong Limited (the "Board"), it gives me great pleasure to report that the past financial year was another year of remarkable progress and growth for the Group. I am pleased to present to you the annual results for the financial year ended 31 March 2017 (the "Year").

Business Review

Global economy, capital markets and politics took unexpected turns in 2016. The volatile performance of global trade, China's economic rebalancing and British leaving from European Union resulted in elevated levels of turmoil over the global economic environment. Though economic conditions were volatile, the Group has remained prudent in sustaining its established track record of successfully executing corporate growth strategy to create valuable returns for shareholders.

The Group recorded an increase in revenue from HK$32,247,000 last year to HK$182,616,000 this year. Revenue from cruise ship charter services increased 47.4% to HK$104,824,000 driven by expansion of the Group's fleet in the acquisition of a vessel named "Aegean Paradise" in late 2015. The Board is confident that the cruise ship charter services is going to contribute stable income in the coming years.

Given a series of government regulation implementations such as Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the local stock market has been experiencing progressive growth, driven by southbound flows and increased investment from mainland investors. Under this favourable investment environment, the Group turned a loss in securities trading of HK$58,277,000 last year into profit of HK$56,889,000 this year.

Hong Kong's property market remains buoyant, revenue of the Group's property investments remained stable at HK$20,833,000. Rental income from Hong Kong's investment properties reported a 4.7% increase to HK$19,686,000 contributed by the increase in rental rate in new tenancies during the Year. In general, the Group's investment properties in both Hong Kong and Singapore achieved a satisfactory overall occupancy rate of 95% with an average annual rental yield of 3.3%.

Prospects

Despite market expectations for increasing conflicts and challenges around the globe in the coming year, the Group will maintain an optimistic yet pragmatic disposition as it endeavours to enhance the corporate brand and value added returns for stakeholders by bolstering business development in Hong Kong and Singapore through adaptive approaches, while proactively identifying opportunities for structural improvements and resource optimisation to increase synergies among different business segments.

On behalf of the Board, I wish to express my sincere gratitude to our shareholders, customers and other business partners for their long-term support. I would also like to thank our directors, management team and all staff members, whose talents and efforts are our most valuable resources, for their contribution to the continuous growth of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 31 March 2017, the Group recorded an increase in revenue from HK$32,247,000 last year to HK$182,616,000 this year. The increase was mainly attributable to net unrealized fair value gains of equity investments at fair value through profit or loss of HK$73,654,000 (2016: net unrealized fair value losses of HK$44,340,000); and full year's charter service income of HK$51,777,000 (2016: HK$11,916,000) from cruise ship named "Aegean Paradise", which was acquired in late 2015 and began to contribute income effective from early 2016.

Together with fair value gains on investment properties of HK$6,600,000 (2016: fair value losses of HK$4,600,000), the Group turned a loss of HK$32,376,000 attributable to owners of the Company into profit of HK$76,482,000 for the Year, despite revaluation deficit of HK$27,201,000 (2016: revaluation surplus of HK$720,000) was recorded on cruise ships in the consolidated statement of profit or loss. Basic earnings per share was HK1.32 cents (2016: loss of HK0.56 cents).

Closure of Register of Members

The annual general meeting of the Company is scheduled on Tuesday, 29 August 2017 (the "Annual General Meeting"). For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 24 August 2017 to Tuesday, 29 August 2017, both days inclusive, during which period, no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 23 August 2017.

Operations

Cruise Ship Charter Services

Situated in Southeast Asia, with India and China on both sides, Singapore is ambitious to become a regional hub for the cruise ship tourism industry. It is estimated that in a few years, Singapore's two giant neighbours could be the industry's biggest markets. In view of the promising outlook of Singapore's tourism, the Group completed an acquisition of a vessel named "Aegean Paradise" in late 2015, which allowed the Group to further expand its cruise ship charter services. The vessel began to contribute income from early 2016.

With full year's income contributed from "Aegean Paradise", revenue from charter services of the three cruise ships, "Leisure World", "Amusement World" and "Aegean Paradise" (collectively referred to as the "Cruise Ships"), was HK$104,824,000 (2016: HK$71,113,000), representing an increase of 47.4%. During the Year, "Leisure World" and "Amusement World" entered dry dock for scheduled routine maintenance every two to three years, with an opportunity cost of revaluation deficit of HK$27,201,000 (2016: revaluation surplus of HK$720,000) on cruise ships recorded in the consolidated statement of profit or loss. Therefore, the segment profit dropped to HK$46,589,000 (2016: HK$54,500,000).

In general, the tourism industry remained solid in Singapore, and the Group is confident that the charter services of the Cruise Ships will achieve better performance in the coming future.

Property Investments

During the Year, the Group's property investments income remained stable at HK$20,833,000 (2016: HK$20,161,000). Rental income from Hong Kong properties recorded an increase of 4.7% to HK$19,686,000 (2016: HK$18,811,000) mainly due to an increase in rental rate in new tenancies of certain shop units at Kwai Chung Plaza. However, rental income from Singapore properties slid 15.0% to HK$1,147,000 (2016: HK$1,350,000), caused by vacancies of certain retail units. In general, property investments achieved a satisfactory occupancy rate of 95% (2016: 96%) with an average annual rental yield of 3.3% (2016: 3.2%). As at 31 March 2017, fair value gains of investment properties amounted to HK$6,600,000 (2016: fair value losses of HK$4,600,000). Singapore properties recorded fair value gains of HK$11,200,000 (2016: HK$16,800,000) while Hong Kong properties recorded fair value losses of HK$4,600,000 (2016: HK$21,400,000). Profit from property investments segment increased from HK$8,162,000 last year to HK$22,448,000 this year.

Securities Trading

The Group's securities portfolio consists of blue chips in the Hong Kong and Singapore stock markets. During the Year, Hong Kong shares performance was volatile as programs, such as Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, allowed China's investors to participate in the Hong Kong stock market. The Group turned segment loss of HK$58,277,000 last year into profit of HK$56,889,000 this year. The Group recorded revenue of HK$56,959,000 (2016: negative revenue of HK$59,027,000). This represented net realized losses on disposal of equity investments of HK$34,401,000 (2016: HK$33,891,000), net unrealized gains of equity investments at fair value through profit or loss of HK$73,654,000 (2016: net unrealized losses of HK$44,340,000), dividend income from equity investments at fair value through profit or loss of HK$16,938,000 (2016: HK$16,244,000) and fair value gains on derivative financial instruments of HK$768,000 (2016: HK$2,960,000).

As at 31 March 2017, the Group's equity investments at fair value through profit or loss amounted to HK$422,001,000. There were no equity investments held by the Group which value was more than 5% of the net assets of the Group.

Name of stock listed on the stock exchange of Hong Kong (Stock Code)	Number of shares held as at 31 March 2017	Percentage of shareholding held as at 31 March 2017	Investment cost as at 31 March 2017	Market value as at 31 March 2017	Percentage to net assets value of the Group as at 31 March 2017
			HK$'000	*HK$'000*	
The Hong Kong and China Gas Company Limited (0003)	800,000	0.0063	11,620	12,432	0.83
Henderson Land Development Company Limited (0012)	80,000	0.0022	3,171	3,852	0.26
Sun Hung Kai Properties Limited (0016)	40,000	0.0014	3,830	4,568	0.31
Hong Kong Exchanges and Clearing Limited (0388)	50,150	0.0041	9,713	9,809	0.66
China Construction Bank Corporation (0939)	10,086,400	0.0042	57,688	63,040	4.22
Industrial and Commercial Bank of China Limited (1398)	11,038,600	0.0127	51,738	56,076	3.76
Country Garden Holdings Company Limited (2007)	1,040,000	0.0049	2,827	7,270	0.49
Ping An Insurance (Group) Company of China, Ltd. (2318)	820,000	0.0110	32,604	35,670	2.39
Tracker Fund of Hong Kong (2800)	1,359,600	0.0390	29,993	33,242	2.23
Bank of China Limited (3988)	10,572,000	0.0126	37,502	40,808	2.73
Total for equity investments in Hong Kong			240,686	266,767	17.88

Name of stock listed on the stock exchange of Singapore (ISIN Code)	Number of shares held as at 31 March 2017	Percentage of shareholding held as at 31 March 2017	Investment cost as at 31 March 2017	Market value as at 31 March 2017	Percentage to net assets value of the Group as at 31 March 2017
			(equivalent to) HK$'000	*(equivalent to) HK$'000*	
DBS Group Holdings Ltd (SG1L01001701)	220,000	0.0087	19,388	23,730	1.59
Hutchison Port Holdings Trust (SG2D00968206)	1,200,000	0.0138	3,833	3,870	0.26
Oversea-Chinese Banking Corporation Limited (SG1S04926220)	200,000	0.0048	9,909	10,809	0.73
Singapore Exchange Limited (SG1J26887955)	1,360,000	0.1271	54,601	58,224	3.90
Singapore Press Holdings Limited (SG1P66918738)	1,000,000	0.0625	19,493	19,738	1.32
Singapore Telecommunications Ltd (SG1T75931496)	200,000	0.0012	4,095	4,359	0.29
StarHub Ltd (SG1V12936232)	400,000	0.0231	6,455	6,405	0.43
Suntec Real Estate Investment Trust (SG1Q52922370)	600,000	0.0236	6,064	5,971	0.40
United Overseas Bank Limited (SG1M31001969)	180,000	0.0110	18,309	22,128	1.48
Total for equity investments in Singapore			142,147	155,234	10.40
Grand total for equity investments at fair value through profit or loss			382,833	422,001	28.28

Information on the performance of the Group's equity investments for the year ended 31 March 2017 was as below:

	Net realized losses on disposal for the year ended 31 March 2017	Net unrealized fair value gains for the year ended 31 March 2017	Dividend income for the year ended 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*
Stocks listed on the stock exchange of Hong Kong	(22,834)	57,528	10,568
Stocks listed on the stock exchange of Singapore	(11,567)	16,126	6,370
Total	(34,401)	73,654	16,938

Contingent Liabilities

As at 31 March 2017, the Company had outstanding guarantees of HK$194,870,000 (2016: HK$205,600,000) given to banks to secure general credit facilities for certain subsidiaries. Credit facilities in an aggregate amount of HK$22,853,000 (2016: HK$26,539,000) had been utilized by the subsidiaries from such guarantees at the end of the reporting period.

Charge on the Group's Assets

As at 31 March 2017, some of the Group's land and building and investment properties with an aggregate value of HK$430,101,000 (2016: HK$495,798,000), trade receivables (rental) with a carrying amount of HK$119,000 (2016: HK$464,000) and equity investments with a carrying value of HK$422,001,000 (2016: HK$384,217,000) were pledged to banks and securities dealers for loan facilities worth HK$335,486,000 (2016: HK$343,251,000) granted to the Group. As at 31 March 2017, HK$23,383,000 (2016: HK$26,539,000) of the loan facilities had been utilized by the Group.

Liquidity and Financial Resources

As at 31 March 2017, the Group had net current assets of HK$782,506,000 (2016: HK$708,428,000) and equity attributable to owners of the Company worth HK$1,474,493,000 (2016: HK$1,400,168,000).

The Group's total indebtedness (representing the aggregate amount of interest-bearing loans from banks and securities dealers) was HK$23,383,000 (2016: HK$26,539,000). All loans were denominated in Hong Kong dollar and Singapore dollar and charged at floating interest rates. They were secured by mortgages over some of the Group's investment properties with an aggregate net book value of HK$324,660,000 (2016: HK$402,825,000), equity investments with a carrying value of HK$52,286,000 (2016: Nil) and assignment of some of the Group's trade receivables (rental) with a carrying amount of HK$119,000 (2016: HK$464,000).

Regarding total indebtedness, HK$2,245,000 (2016: HK$3,665,000) will be repayable within one year or on demand, HK$3,428,000 (2016: HK$3,078,000) will be repayable from the second to fifth years and the remaining balance of HK$17,710,000 (2016: HK$19,796,000) will be repayable after five years.

The Group's gearing ratio (total indebtedness divided by equity attributable to owners of the Company) at the end of the reporting period remained as 0.02 (2016: 0.02).

Exposure to Equity Prices, Foreign Exchange and Interest Rate Risks

The Group is exposed to risks arising from individual equity investments classified as trading equity investments. The Group's investments are listed on the stock exchanges of Hong Kong and Singapore and are valued at quoted market prices at the end of the reporting period.

At the end of the reporting period, the Group's cash and cash equivalents are held predominately in Hong Kong dollar, Singapore dollar and United States dollar. The Group's borrowings are denominated in Hong Kong dollar and Singapore dollar at floating interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to its long-term debt obligations with floating interest rates. In the opinion of the directors, the Group has no significant interest rate risk. The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Human Resources

As at 31 March 2017, the Group had a total of 23 staff in Hong Kong. Remuneration packages for employees and directors are structured according to market terms as well as individual performance and experience. Benefits plans maintained by the Group include mandatory provident fund scheme, medical insurance, share option scheme and discretionary bonuses. As at 31 March 2017, the Group had 386,640,000 outstanding share options granted to eligible directors and employees of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE

The Company has complied with all the code provisions of the Corporate Governance 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 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 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's audit committee comprises three independent non-executive directors, namely, Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2017 including the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters.

On behalf of the Board
Ng Wee Keat
Chairman

Hong Kong, 30 June 2017

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.