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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

The board of directors (the "Board") of New Century Group Hong Kong Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2018.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2018

	Note	**Six months ended 30 September 2018 (Unaudited) *HK$'000***	Six months ended 30 September 2017 (Unaudited) *HK$'000*
REVENUE	4	**49,988**	95,969
Cost of services provided		**(10,852)**	(12,167)
Gross profit		**39,136**	83,802
Other income		**5,226**	1,100
Administrative expenses		**(21,193)**	(11,970)
Foreign exchange differences, net		**(11,470)**	2,051
Fair value gains on investment properties, net		**7,558**	14,572
Surplus on revaluation of cruise ships, net		**2,672**	355
Gain on disposal of a subsidiary		**3,652**	–
Finance costs		**(458)**	(439)

* *For identification purpose only*

.../continued

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(continued)*

For the six months ended 30 September 2018

	Notes	Six months ended 30 September 2018 (Unaudited) HK$'000	Six months ended 30 September 2017 (Unaudited) HK$'000
PROFIT BEFORE TAX	5	**25,123**	89,471
Income tax expense	6	**(15,839)**	(413)
PROFIT FOR THE PERIOD		**9,284**	89,058
Attributable to:			
Owners of the Company		**(705)**	67,464
Non-controlling interests		**9,989**	21,594
		9,284	89,058
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**(HK0.01 cents)**	HK1.17 cents
Diluted		**(HK0.01 cents)**	HK1.17 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	Six months ended 30 September 2018 (Unaudited) ***HK$'000***	Six months ended 30 September 2017 (Unaudited) *HK$'000*
PROFIT FOR THE PERIOD	**9,284**	89,058
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(16,458)**	11,876
Reclassification adjustment for a foreign operation disposed of during the period	**1,441**	–
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**(15,017)**	11,876
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Surplus/(deficit) on revaluation of a cruise ship	**9,711**	(5,382)
Changes in fair value of financial assets at fair value through other comprehensive income	**(227)**	–
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**9,484**	(5,382)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**(5,533)**	6,494
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,751**	95,552
Attributable to:		
Owners of the Company	**(6,674)**	73,172
Non-controlling interests	**10,425**	22,380
	3,751	95,552

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2018

	Notes	30 September 2018 (Unaudited) *HK$'000*	31 March 2018 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**382,925**	283,438
Investment properties		**554,080**	676,424
Available-for-sale investment		**–**	780
Financial assets at fair value through other comprehensive income		**1,778**	–
Total non-current assets		**938,783**	960,642
CURRENT ASSETS			
Trade receivables	8	**45,017**	32,829
Derivative financial instruments		**–**	107
Prepayments, deposits and other receivables	9	**3,001**	8,616
Equity investments at fair value through profit or loss		**62,801**	139,154
Tax recoverable		**–**	10
Cash and cash equivalents		**898,516**	793,767
Total current assets		**1,009,335**	974,483
CURRENT LIABILITIES			
Derivative financial instruments		**–**	3,291
Interest-bearing bank and other borrowings		**685**	1,574
Loan advanced from a non-controlling shareholder of the Group's subsidiary		**171,823**	–
Accruals, other payables and deposits received	10	**17,144**	23,444
Tax payable		**957**	804
Due to a related company		**5,419**	9
Total current liabilities		**196,028**	29,122
NET CURRENT ASSETS		**813,307**	945,361

.../continued

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

30 September 2018

	Note	**30 September 2018 (Unaudited)** ***HK$'000***	31 March 2018 (Audited) *HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,752,090**	1,906,003
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**20,709**	21,863
Loan advanced from a non-controlling shareholder of the Group's subsidiary		**–**	171,823
Deposits received	10	**2,433**	3,999
Deferred tax liabilities		**19,403**	3,749
Total non-current liabilities		**42,545**	201,434
Net assets		**1,709,545**	1,704,569
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**14,451**	14,451
Reserves		**1,616,770**	1,622,219
		1,631,221	1,636,670
Non-controlling interests		**78,324**	67,899
Total equity		**1,709,545**	1,704,569

Notes:

1. **BASIS OF PREPARATION**

The interim condensed consolidated financial statements are unaudited and have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2018.

2. **CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

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

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

The adoption of these new and revised HKFRSs has had no significant financial effect on the financial statements except for HKFRS 9 which is explained below.

(a) **HKFRS 9 *Financial Instruments***

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. The standard introduces new requirements for classification and measurement and impairment. The Group has adopted HKFRS 9 to items that existed at 1 April 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening retained profits and other components of equity at 1 April 2018. Therefore, comparative information continues to be reported under HKAS 39. The impacts relate to the classification and measurement and the impairment requirements are summarised as follows:

(i) Classification and measurement

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion").

The new classification and measurement of the Group's financial assets are as follows:

- Debt instruments at amortised cost that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade receivables, deposits and other receivables.

- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its equity instruments as financial assets at fair value through other comprehensive income. Financial assets at fair value through other comprehensive income are not subject to an impairment assessment under HKFRS 9. Under HKAS 39, the Group's equity instruments in a non-listed company were classified as an available-for-sale investment and measured at cost less impairment.

- Financial assets at fair value through profit or loss include listed equity instruments, which were also classified as equity instruments at fair value through profit or loss under HKAS 39.

(ii) Impairment of financial assets

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss approach with a forward-looking expected credit losses ("ECLs") approach. HKFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that are expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

At 1 April 2018 and 30 September 2018, the Group assessed the impact of loss allowance under the application of HKFRS 9 was immaterial.

(iii) Summary of effects arising from the initial application of HKFRS 9

	Available-for-sale investment *HK$'000*	Financial assets at fair value through other comprehensive income required by HKFRS 9 *HK$'000*	Fair value reserve of financial assets at fair value through other comprehensive income *HK$'000*
Closing balance at 31 March 2018 – HKAS 39	780	–	–
Effects arising from the initial application of HKFRS 9:			
Reclassification			
From available-for-sale investment to financial assets at fair value through other comprehensive income	(780)	780	–
Remeasurement			
From cost less impairment to fair value	–	1,225	1,225
Opening balance at 1 April 2018 – HKFRS 9	–	2,005	1,225

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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, gain on disposal of a subsidiary, as well as corporate expenses are excluded from such measurement.

There were no intersegment sales and transfers during the period (2017: Nil).

	Cruise ship charter services Six months ended 30 September		**Property investments Six months ended 30 September**		**Securities trading Six months ended 30 September**		**Total Six months ended 30 September**	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue	**41,779**	46,853	**10,272**	10,759	**(2,063)**	38,357	**49,988**	95,969
Segment results	**23,927**	35,610	**15,990**	23,176	**(5,912)**	39,023	**34,005**	97,809
Reconciliation:								
Interest income							**5,213**	985
Gain on disposal of a subsidiary							**3,652**	–
Corporate and other unallocated expenses							**(17,289)**	(8,884)
Finance costs							**(458)**	(439)
Profit before tax							**25,123**	89,471

4. REVENUE

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 period.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 September 2018 (Unaudited) *HK$'000*	Six months ended 30 September 2017 (Unaudited) *HK$'000*
Depreciation	**13,226**	12,697
Employee costs	**6,934**	6,693

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period. In the prior period, no provision for Hong Kong profits tax had been made as the Group had available tax losses brought forward from prior years to offset the assessable profits generated. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	Six months ended 30 September 2018 (Unaudited) *HK$'000*	Six months ended 30 September 2017 (Unaudited) *HK$'000*
Current – Hong Kong		
Charge for the period	**185**	–
Current – Elsewhere		
Underprovision in prior years	**–**	2
Deferred	**15,654**	411
Total tax charge for the period	**15,839**	413

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 period attributable to ordinary equity holders of the Company, and the number of ordinary shares of 5,780,368,705 (2017: 5,780,368,705) in issue during the period.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 30 September 2018 and 30 September 2017 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 calculation of the basic and diluted earnings/(loss) per share is based on:

	Six months ended 30 September 2018 (Unaudited) *HK$'000*	Six months ended 30 September 2017 (Unaudited) *HK$'000*
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculation	**(705)**	67,464

	Six months ended 30 September 2018 (Unaudited)	Six months ended 30 September 2017 (Unaudited)
Shares		
Number of ordinary shares in issue during the period, used in the basic and diluted earnings/(loss) per share calculation	**5,780,368,705**	5,780,368,705

8. TRADE RECEIVABLES

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 its 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 a charterer with an aggregate value of approximately HK$15,924,000 (31 March 2018: HK$21,857,000). Except for trade receivables of approximately HK$33,447,000 (31 March 2018: HK$24,296,000) which bear interest at fixed rates, the trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2018 (Unaudited) ***HK$'000***	31 March 2018 (Audited) *HK$'000*
Within 1 month	**40,857**	30,645
1 to 2 months	**4,160**	2,184
Trade receivables	**45,017**	32,829

Certain subsidiaries have pledged trade receivables with aggregate carrying values of HK$29,000 (31 March 2018: HK$5,000) and HK$612,000 (31 March 2018: HK$78,000) to secure bank loan and banking facilities granted, respectively.

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2018 (Unaudited) ***HK$'000***	31 March 2018 (Audited) *HK$'000*
Prepayments	**448**	930
Deposits and other receivables	**2,553**	7,686
	3,001	8,616

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

10. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

	30 September 2018 (Unaudited) *HK$'000*	31 March 2018 (Audited) *HK$'000*
Accruals	**1,820**	1,684
Other payables and deposits received	**17,757**	25,759
	19,577	27,443
Portion classified as non-current liabilities	**(2,433)**	(3,999)
Current portion	**17,144**	23,444

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

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2018 (2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

In advanced economies, economic activity lost some momentum in the first half of 2018 after peaking in the second half of 2017. In addition, the escalation of the US-China trade war, US interest rate hikes, weakened Renminbi against US dollar, slowdown of the Eurozone economy and rising global protectionist sentiments lead to instability of global economy. In respect of the Hong Kong stock market, affected by various external factors, it experienced significant fluctuation after a short rally early this year.

In face of the volatile domestic and oversea markets, the Group believes in the midst of difficulties lies opportunities. With prudent investment strategy, solid business model and effective risk management, the Group will carefully capture market opportunities while ensuring its steady and stable development. We are pleased to announce the Group's interim results and will continue to devote its best efforts to enhance the core competence and to maximize the return for shareholders.

Results

The Group recorded a decrease by 47.9% in revenue from HK$95,969,000 for the corresponding period of last year to HK$49,988,000 for the six months ended 30 September 2018 (the "Period"). The decrease was mainly due to (i) net realized and unrealized losses of HK$8,608,000 on equity investments at fair value through profit or loss (2017: net realized and unrealized gains of HK$28,342,000); (ii) decrease in dividend income from equity investments at fair value through profit or loss from HK$10,395,000 for last period to HK$3,361,000 for the Period; and (iii) decrease in cruise ship charter service income from HK$46,853,000 for last period to HK$41,779,000 for the Period.

Together with the effect of (i) increase in administrative expenses from HK$11,970,000 for last period to HK$21,193,000 for the Period which mainly resulted from maintenance expenses of HK$5,486,000 (2017: Nil) incurred for a cruise ship named "Amusement World" during its cessation of operation from 2 July 2018 to 31 August 2018; (ii) foreign exchange losses of HK$11,470,000 (2017: foreign exchange gains of HK$2,051,000); (iii) decrease in fair value gains of investment properties from HK$14,572,000 for last period to HK$7,558,000 for the Period; and (iv) increase in deferred tax expense from HK$411,000 for last period to HK$15,654,000 for the Period, the Group recorded a loss attributable to owners of the Company of HK$705,000 for the Period (2017: profit of HK$67,464,000). Basic loss per share for the Period was HK0.01 cents (2017: earnings of HK1.17 cents per share).

Operations

Cruise Ship Charter Services

Charter services of the three cruise ships namely "Amusement World", "Leisure World" and "Aegean Paradise" recorded a decrease of 10.8% in total revenue to HK$41,779,000 for the Period (2017: HK$46,853,000). During the Period, Amusement World ceased its operation from 2 July 2018 due to the termination of its charter agreement with the charterer. On 31 August 2018, the Group disposed all its interest in a non-wholly owned subsidiary of the Group, which held 100% beneficial ownership in Amusement World, to an independent third party and recorded a gain on disposal of HK$3,652,000. The Group entered into 2-year term new charter agreements for Leisure World and Aegean Paradise on 14 June 2018 with the existing charterer. Commencing from 1 July 2018, the respective daily charter fee of Leisure World and Aegean Paradise under the new charter agreements amounted to S$13,800 (equivalent to approximately HK$81,144) and S$23,800 (equivalent to approximately HK$139,944), which were lower than the previous respective daily charter fee of S$19,800 (equivalent to approximately HK$116,424) and S$28,000 (equivalent to approximately HK$164,640).

Together with that (i) during the cessation period of operation from 2 July 2018 to 31 August 2018, maintenance expenses of HK$5,486,000 (2017: Nil) was incurred for Amusement World; (ii) foreign exchange losses of HK$3,809,000 incurred for the Period due to the depreciation of Singapore dollar to Hong Kong dollar (2017: foreign exchange gains of HK$597,000); and (iii) surplus on revaluation of cruise ships of HK$2,672,000 recorded for the Period (2017: HK$355,000) in the condensed consolidated statement of profit or loss, the Group recorded a decrease of 32.8% in segment profit to HK$23,927,000 for the Period (2017: HK$35,610,000). For further details, please refer to the Company's announcements dated 14 June 2018 and 31 August 2018, respectively.

Property Investments

During the Period, the Group's revenue from property investments slightly adjusted by 4.5% to HK$10,272,000 (2017: HK$10,759,000). In which, the rental income from Hong Kong properties decreased by 6.5% to HK$9,327,000 (2017: HK$9,979,000), which was attributable to the change of office units at Shun Tak Centre from investment properties to owner-occupied properties upon their expiry of tenancy agreement on 30 April 2018. The improvement in occupancy rate drove the rental income from Singapore properties to HK$945,000 (2017: HK$780,000). In general, investment properties achieved excellent occupancy rate of 100% (31 March 2018: 99%) with an average annual rental yield of 3.2% (31 March 2018: 3.2%).

During the Period under review, fair value gains on investment properties reduced to HK$7,558,000 (2017: HK$14,572,000), in which Hong Kong properties recorded fair value gains of HK$6,400,000 (2017: HK$21,400,000) while Singapore properties recorded fair value gains of HK$1,158,000 (2017: fair value losses of HK$6,828,000). For the Period, profit from the property investments segment decreased by 31.0% to HK$15,990,000 (2017: HK$23,176,000).

Securities Trading

During the Period under review, the Group's securities portfolio mainly consisted of blue chips in Hong Kong and Singapore stock markets. Due to the volatility of stock markets, the Group recorded negative revenue of HK$2,063,000 for the Period (2017: revenue of HK$38,357,000). The negative revenue represented (i) net realized and unrealized losses of HK$8,608,000 on equity investments at fair value through profit or loss (2017: net realized and unrealized gains of HK$28,342,000); (ii) dividend income from equity investments at fair value through profit or loss of HK$3,361,000 (2017: HK$10,395,000); and (iii) fair value gains on derivative financial instruments of HK$3,184,000 (2017: fair value losses of HK$380,000). Therefore, the Group recorded a loss of HK$5,912,000 for the Period (2017: profit of HK$39,023,000) from this segment.

As at 30 September 2018, the Group's equity investments at fair value through profit or loss amounted to HK$62,801,000, which represented stocks listed on the stock exchange of Hong Kong. There were no individual 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 30 September 2018**	**Percentage of shareholding held as at 30 September 2018**	**Investment cost as at 30 September 2018** *HK$'000*	**Market value as at 30 September 2018** *HK$'000*	**Percentage to net assets value of the Group as at 30 September 2018**
CK Hutchison Holdings Limited (0001)	20,000	0.0005	1,781	1,804	0.11
The Hong Kong and China Gas Company Limited (0003)	440,000	0.0029	6,380	6,837	0.40
Henderson Land Development Company Limited (0012)	66,000	0.0015	2,995	2,597	0.15
Sun Hung Kai Properties Limited (0016)	32,000	0.0011	3,946	3,648	0.21
Hong Kong Exchanges and Clearing Limited (0388)	4,000	0.0003	970	896	0.05
China Construction Bank Corporation (0939)	1,758,000	0.0007	12,078	12,025	0.70
China Mobile Limited (0941)	153,460	0.0007	11,540	11,839	0.69
Industrial and Commercial Bank of China Limited (1398)	45,000	0.0001	233	257	0.02
Ping An Insurance (Group) Company of China, Ltd. (2318)	60,400	0.0008	3,640	4,802	0.28

Name of stock listed on the stock exchange of Hong Kong (Stock Code)	Number of shares held as at 30 September 2018	Percentage of shareholding held as at 30 September 2018	Investment cost as at 30 September 2018	Market value as at 30 September 2018	Percentage to net assets value of the Group as at 30 September 2018
			HK$'000	*HK$'000*	
Tracker Fund of Hong Kong (2800)	190,000	0.0064	5,115	5,444	0.32
Bank of China Limited (3988)	3,635,600	0.0043	14,005	12,652	0.74
Total for equity investments at fair value through profit or loss			62,683	62,801	3.67

Information on the performance of the Group's equity investments for the six months ended 30 September 2018 was as below:

	Net realized and unrealized losses for the six months ended 30 September 2018	Dividend income for the six months ended 30 September 2018
	HK$'000	*HK$'000*
Stocks listed on the stock exchange of Hong Kong	(8,076)	2,122
Stocks listed on the stock exchange of Singapore	(532)	1,239
Total	(8,608)	3,361

Contingent Liabilities

As at 30 September 2018, the Company had outstanding guarantees of HK$215,740,000 (31 March 2018: HK$216,910,000) given to banks to secure general credit facilities for certain subsidiaries. Credit facilities in an aggregate amount of HK$21,394,000 (31 March 2018: HK$22,740,000) had been utilized by the subsidiaries from such guarantees at the end of the reporting period.

Charge on the Group's Assets

As at 30 September 2018, some of the Group's land and buildings and investment properties with an aggregate carrying amount of HK$471,796,000 (31 March 2018: HK$474,533,000), some of the Group's trade receivables (rental) with a carrying amount of HK$612,000 (31 March 2018: HK$78,000) and the Group's equity investments with a carrying amount of HK$62,801,000 (31 March 2018: HK$139,154,000) were pledged to banks and securities dealers for loan facilities worth HK$232,320,000 (31 March 2018: HK$265,414,000) granted to the Group. As at 30 September 2018, HK$21,394,000 (31 March 2018: HK$23,437,000) of the loan facilities had been utilized by the Group.

Liquidity and Financial Resources

As at 30 September 2018, the Group had net current assets of HK$813,307,000 (31 March 2018: HK$945,361,000) and equity attributable to owners of the Company worth HK$1,631,221,000 (31 March 2018: HK$1,636,670,000).

The Group's total indebtedness representing aggregate amount of interest-bearing loans from banks (31 March 2018: banks and securities dealers) was HK$21,394,000 (31 March 2018: HK$23,437,000), which were denominated in Singapore dollar (31 March 2018: Singapore dollar and Hong Kong dollar) and charged at floating interest rates. They were secured by mortgages over the Group's investment properties with a carrying amount of HK$137,280,000 (31 March 2018: HK$142,324,000) and assignment of some of the Group's trade receivables (rental) with a carrying amount of HK$29,000 (31 March 2018: HK$5,000).

Regarding total indebtedness, HK$685,000 (31 March 2018: HK$1,574,000) will be repayable within one year or on demand, HK$3,070,000 (31 March 2018: HK$3,740,000) will be repayable from the second to fifth years and the remaining balance of HK$17,639,000 (31 March 2018: HK$18,123,000) 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 0.01 (31 March 2018: 0.01).

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.

As at 30 September 2018, the Group's cash and cash equivalents were held predominately in Hong Kong dollar. The Group's borrowings were denominated in Singapore dollar at floating interest rates. The Group has an exposure to the risk of change in interest rates arising 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 30 September 2018, 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 30 September 2018, the Group had 386,640,000 outstanding share options granted to eligible directors and employees of the Group.

Disposal of Jackston Maritime Limited ("JML")

On 31 August 2018, an indirect non-wholly owned subsidiary of the Company as vendor entered into a sale and purchase agreement with an independent third party as purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to acquire the entire issued share capital (the "Sale Shares") of JML and the shareholder's loan (the "Shareholder's Loan") owed by JML to the vendor at a consideration of US$2,200,000 (equivalent to HK$17,160,000). JML is principally engaged in cruise ship investment and the principal asset of which is the vessel, Amusement World. A gain on disposal of a subsidiary of HK$3,652,000 was recorded by the Group. The disposal of the Sale Shares and the Shareholder's Loan constituted a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and is therefore subject to the reporting and announcement requirements under the Listing Rules. For details, please refer to the Company's announcement dated 31 August 2018.

Upon disposal on 31 August 2018, the Group ceased to have any equity interests in JML on the same date.

Prospects

Global capital market is expected to be continuously affected by various factors including the US-China trade war, expectation of successive US interest rate hikes, rising protectionist sentiment and fluctuation of currencies in emerging markets. Meanwhile, China's economic growth is expected to decelerate in terms of exports, investment and consumption. Hong Kong stock market is believed to undergo frequent fluctuations given these unfavorable external factors.

Looking forward, the Group will adopt a responsive approach to address and react to the dynamic changes in the complicated macroeconomic conditions and political environment. With strong vision and prudent risk control management, the Group will cautiously manage its diversified business portfolio and to get well-prepared to seize investment opportunities arising from the capital market, in order to generate greater value to reward the ongoing support from its shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2018, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2018.

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 six months ended 30 September 2018.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 September 2018 have been reviewed by the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Board, through the audit committee, has also conducted a review of the internal control and the interim report for the six months ended 30 September 2018.

On behalf of the Board
Ng Wee Keat
Chairman

Hong Kong, 27 November 2018

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.