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 2019

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 2019.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2019

	Note	**2019 (Unaudited) *HK$'000***	2018 (Restated) *HK$'000*
REVENUE	6	**79,857**	84,638
Cost of services provided		**(9,250)**	(10,852)
Gross profit		**70,607**	73,786
Other income		**9,152**	5,677
Administrative expenses		**(24,576)**	(29,097)
Foreign exchange differences, net		**(1,189)**	(11,470)
Fair value gains/(losses) on investment properties		**(16,400)**	7,558
Surplus on revaluation of a cruise ship		**–**	2,672

* *For identification purpose only*

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

For the six months ended 30 September 2019

	Notes	**2019 (Unaudited) *HK$'000***	2018 (Restated) *HK$'000*
Gain on disposal of a subsidiary		**–**	3,652
Finance costs		**(2)**	(458)
Reversal of impairment losses on loan and interest receivables		**–**	1,023
PROFIT BEFORE TAX	7	**37,592**	53,343
Income tax expense	8	**(4,912)**	(20,489)
PROFIT FOR THE PERIOD		**32,680**	32,854
Attributable to:			
Owners of the Company		**12,018**	13,437
Non-controlling interests		**20,662**	19,417
		32,680	32,854
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	9	**HK0.21 cents**	HK0.23 cents
Diluted	9	**HK0.21 cents**	HK0.23 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2019

	2019 **(Unaudited)** ***HK$'000***	2018 (Restated) *HK$'000*
PROFIT FOR THE PERIOD	**32,680**	32,854
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	**(7,270)**	(16,458)
Reclassification adjustment for a foreign operation disposed of during the period	**–**	1,441
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(7,270)**	(15,017)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Surplus on revaluation of cruise ships	**4,658**	9,711
Surplus on revaluation of a property	**8,097**	–
Changes in fair value of financial assets at fair value through other comprehensive income	**–**	(227)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**12,755**	9,484
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**5,485**	(5,533)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**38,165**	27,321
Attributable to:		
Owners of the Company	**14,116**	7,468
Non-controlling interests	**24,049**	19,853
	38,165	27,321

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2019

	Notes	**30 September 2019 (Unaudited)** *HK$'000*	31 March 2019 (Restated) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**365,153**	394,150
Investment properties		**565,680**	555,760
Right-of-use assets		**93**	–
Equity investment designated at fair value through other comprehensive income		**1,552**	1,552
Prepayments and other receivables	12	**305**	4,026
Loan receivables	11	**200,038**	270,369
Deferred tax assets		**312**	306
Total non-current assets		**1,133,133**	1,226,163
CURRENT ASSETS			
Trade receivables	10	**56,976**	58,290
Loan and interest receivables	11	**432,516**	552,786
Prepayments, deposits and other receivables	12	**6,696**	5,194
Repossessed asset		**14,132**	14,132
Equity investments at fair value through profit or loss		**40,375**	27,984
Tax recoverable		**–**	70
Cash and cash equivalents		**579,616**	996,257
Total current assets		**1,130,311**	1,654,713
CURRENT LIABILITIES			
Accruals, other payables and deposits received	13	**17,226**	21,044
Financial liabilities at fair value through profit or loss		**420**	–
Tax payable		**6,147**	1,031
Due to the immediate holding company		**13,332**	40,000
Due to the intermediate holding company		**20,000**	140,000
Due to related companies		**6,671**	20,004
Loan advanced from a non-controlling shareholder of the Group's subsidiary		**131,823**	131,823
Total current liabilities		**195,619**	353,902
NET CURRENT ASSETS		**934,692**	1,300,811

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

30 September 2019

	Note	30 September 2019 (Unaudited) HK$'000	31 March 2019 (Restated) HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,067,825**	2,526,974
NON-CURRENT LIABILITIES			
Accruals and deposits received	13	**3,971**	3,338
Deferred tax liabilities		**19,212**	19,519
Total non-current liabilities		**23,183**	22,857
Net assets		**2,044,642**	2,504,117
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**14,451**	14,451
Reserves		**1,635,212**	2,118,736
		1,649,663	2,133,187
Non-controlling interests		**394,979**	370,930
Total equity		**2,044,642**	2,504,117

Notes:

1. CORPORATE INFORMATION

The interim condensed consolidated financial statements of New Century Group Hong Kong Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group") for the six months ended 30 September 2019 were authorised for issue in accordance with a resolution of the directors on 27 November 2019.

The Company is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activities of the Company comprise investment holding and securities trading. The principal activities of its subsidiaries comprise the provision of cruise ship charter services, property investments and securities trading. During the current period, the Group commenced to engage in money lending business.

The Company is a subsidiary of New Century Investment Pacific Limited, a company incorporated in the British Virgin Islands. New Century Investment Pacific Limited is an indirect wholly owned subsidiary of Huang Group (BVI) Limited, a company incorporated in the British Virgin Islands. In the opinion of the directors, Huang Group (BVI) Limited, which is beneficially and wholly owned by a discretionary trust, is the ultimate holding company of the Company.

2. ACQUISITION UNDER COMMON CONTROL

On 30 September 2019, the Group acquired 30%, 20% and 10% equity interests in ETC Finance Limited ("ETC") from Huang Worldwide Holding Limited, New Century Investment Pacific Limited and A&C Amusement Limited, respectively, with an aggregate consideration of HK$497,640,000 (the "Acquisition"). Huang Worldwide Holding Limited and New Century Investment Pacific Limited are controlled by the same shareholder of the Company whereas A&C Amusement Limited is controlled by connected persons of the Company.

The Group and ETC were under the common control of Huang Group (BVI) Limited before and after the Acquisition. The acquisition of ETC has been accounted for based on the principles of merger accounting as if the Acquisition had occurred on the date when the combining entities first came under the common control of Huang Group (BVI) Limited. Accordingly, the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows of the Group for the six months ended 30 September 2018 and 2019 include the results and cash flows of ETC from the earliest date presented or since the date when the subsidiaries and/or business first came under the common control of Huang Group (BVI) Limited, where this is a shorter period. The condensed consolidated statement of financial position as at 31 March 2019 have been restated to include the carrying amounts of the assets and liabilities of ETC.

The comparative amounts of the financial statements of the Group have been restated to include the financial statement items of ETC. The effect of the Acquisition on and, hence, the items so restated in the comparative financial statements are summarised below:

Effect on the condensed consolidated statement of profit or loss for the six months ended 30 September 2018

	As previously reported *HK$'000*	Acquisition of ETC *HK$'000*	Consolidation adjustment *HK$'000*	As restated *HK$'000*
REVENUE	49,988	34,823	(173)	84,638
Cost of services provided	(10,852)	–	–	(10,852)
Gross profit	39,136	34,823	(173)	73,786
Other income	5,226	451	–	5,677
Administrative expenses	(21,193)	(8,077)	173	(29,097)
Foreign exchange differences, net	(11,470)	–	–	(11,470)
Fair value gains on investment properties, net	7,558	–	–	7,558
Surplus on revaluation of a cruise ship	2,672	–	–	2,672
Gain on disposal of a subsidiary	3,652	–	–	3,652
Finance costs	(458)	–	–	(458)
Reversal of impairment losses on loan and interest receivables	–	1,023	–	1,023
PROFIT BEFORE TAX	25,123	28,220	–	53,343
Income tax expense	(15,839)	(4,650)	–	(20,489)
PROFIT FOR THE PERIOD	9,284	23,570	–	32,854
Attributable to:				
Owners of the Company	(705)	23,570	(9,428)	13,437
Non-controlling interests	9,989	–	9,428	19,417
	9,284	23,570	–	32,854

Effect on the condensed consolidated statement of comprehensive income for the six months ended 30 September 2018

	As previously reported *HK$'000*	Acquisition of ETC *HK$'000*	Consolidation adjustment *HK$'000*	As restated *HK$'000*
PROFIT FOR THE PERIOD	9,284	23,570	–	32,854
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)	–	–	(16,458)
Reclassification adjustment for a foreign operation disposed of during the period	1,441	–	–	1,441
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(15,017)	–	–	(15,017)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:				
Surplus on revaluation of a cruise ship	9,711	–	–	9,711
Changes in fair value of financial assets at fair value through other comprehensive income	(227)	–	–	(227)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	9,484	–	–	9,484
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(5,533)	–	–	(5,533)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,751	23,570	–	27,321
Attributable to:				
Owners of the Company	(6,674)	23,570	(9,428)	7,468
Non-controlling interests	10,425	–	9,428	19,853
	3,751	23,570	–	27,321

Effect on the condensed consolidated statement of financial position as at 31 March 2019

	As previously reported *HK$'000*	Acquisition of ETC *HK$'000*	Consolidation adjustment *HK$'000*	As restated *HK$'000*
NON-CURRENT ASSETS				
Property, plant and equipment	372,440	21,710	–	394,150
Investment properties	555,760	–	–	555,760
Equity investment designated at fair value through other comprehensive income	1,552	–	–	1,552
Prepayments and other receivables	3,510	516	–	4,026
Loan receivables	–	270,369	–	270,369
Deferred tax assets	–	306	–	306
Total non-current assets	933,262	292,901	–	1,226,163
CURRENT ASSETS				
Trade receivables	58,290	–	–	58,290
Loan and interest receivables	–	552,786	–	552,786
Prepayments, deposits and other receivables	3,035	2,245	(86)	5,194
Repossessed asset	–	14,132	–	14,132
Equity investments at fair value through profit or loss	27,984	–	–	27,984
Tax recoverable	70	–	–	70
Cash and cash equivalents	855,173	141,084	–	996,257
Total current assets	944,552	710,247	(86)	1,654,713
CURRENT LIABILITIES				
Accruals, other payables and deposits received	19,083	2,047	(86)	21,044
Dividend payable	–	200,000	(200,000)	–
Tax payable	77	954	–	1,031
Due to the immediate holding company	–	–	40,000	40,000
Due to the intermediate holding company	–	–	140,000	140,000
Due to related companies	4	–	20,000	20,004
Loan advanced from a non-controlling shareholder of the Group's subsidiary	131,823	–	–	131,823
Total current liabilities	150,987	203,001	(86)	353,902
NET CURRENT ASSETS	793,565	507,246	–	1,300,811

Effect on the condensed consolidated statement of financial position as at 31 March 2019 *(continued)*

	As previously reported *HK$'000*	Acquisition of ETC *HK$'000*	Consolidation adjustment *HK$'000*	As restated *HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	1,726,827	800,147	–	2,526,974
NON-CURRENT LIABILITIES				
Accruals and deposits received	3,338	–	–	3,338
Deferred tax liabilities	19,519	–	–	19,519
Total non-current liabilities	22,857	–	–	22,857
Net assets	1,703,970	800,147	–	2,504,117
EQUITY				
Equity attributable to owners of the Company				
Issued capital	14,451	700,000	(700,000)	14,451
Reserves	1,638,648	100,147	379,941	2,118,736
	1,653,099	800,147	(320,059)	2,133,187
Non-controlling interests	50,871	–	320,059	370,930
Total equity	1,703,970	800,147	–	2,504,117

3. 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 ("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 2019.

The unaudited interim condensed consolidated financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000), unless otherwise stated.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2019, except for the adoption of accounting policy of a common control acquisition and the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") effective as of 1 April 2019.

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of HKFRS 16 *Leases* and HK(IFRIC)-Int 23 *Uncertainty over Income Tax Treatments*, the new and revised standards are not relevant to the preparation of the Group's interim condensed consolidated financial information. The nature and impact of the new and revised HKFRSs are described below:

(a) Adoption of HKFRS 16

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 April 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of property and equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019 and included in accruals, other payables and deposits received.

The right-of-use assets for most leases were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 April 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 April 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the elective practical expedient when applying HKFRS 16 at 1 April 2019 by applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application.

Accordingly, the Group recognised right-of-use assets of HK$140,000 and lease liabilities of HK$140,000 as at 1 April 2019.

The lease liabilities as at 1 April 2019 reconciled to the operating lease commitments as at 31 March 2019 is as follows:

	(Unaudited) *HK$'000*
Operating lease commitments as at 31 March 2019	232
Weighted average incremental borrowing rate as at 1 April 2019	3.9%
Discounted operating lease commitments as at 1 April 2019	228
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 March 2020	(88)
Lease liabilities as at 1 April 2019	140

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 March 2019 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 April 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for 'inventories'. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for 'investment properties'.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Amounts recognised in the interim condensed consolidated statements of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities (included within 'accruals, other payables and deposits received'), and the movement during the period are as follow:

	Right-of-use assets	
	Building	**Lease liabilities**
	HK$'000	*HK$'000*
As at 1 April 2019	140	140
Depreciation charge	(47)	–
Interest expense	–	2
Payments	–	(48)
As at 30 September 2019	93	94

The Group recognised rental expenses from short-term leases of HK$48,000 and leases of low-value assets of HK$90,000 for the six months ended 30 September 2019.

(b) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation did not have any significant impact on the Group's interim condensed consolidated financial information.

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their businesses and services and has four 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;

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

(d) the money lending segment engages in the provision of mortgage loans and personal loans.

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, dividend income from equity investment designated at fair value through other comprehensive income, as well as corporate expenses are excluded from such measurement.

Intersegment sales is transacted with reference to the prices used for sales made to third parties at the then prevailing market prices.

	Cruise ship charter services		Property investments		Securities trading		Money lending		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Restated)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Restated)	**(Unaudited)**	(Restated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue										
Revenue from external customers	**37,459**	41,779	**10,097**	10,099	**(3,419)**	(2,063)	**35,720**	34,823	**79,857**	84,638
Intersegment sales	**–**	–	**1,535**	173	**–**	–	**–**	–	**1,535**	173
Other income	**–**	–	**36**	10	**31**	3	**164**	132	**231**	145
	37,459	41,779	**11,668**	10,282	**(3,388)**	(2,060)	**35,884**	34,955	**81,623**	84,956
Reconciliation:										
Elimination of intersegment sales									**(1,535)**	(173)
									80,088	84,783
Segment results	**26,963**	23,927	**(8,024)**	15,817	**(3,402)**	(5,912)	**30,609**	28,074	**46,146**	61,906
Reconciliation:										
Interest income									**8,211**	5,532
Dividend income from equity investment designated at fair value through other comprehensive income									**710**	–
Gain on disposal of a subsidiary									**–**	3,652
Corporate and other unallocated expenses									**(17,473)**	(17,289)
Finance costs									**(2)**	(458)
Profit before tax									**37,592**	53,343

6. 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, dividend income from equity investments at fair value through profit or loss and interest income from mortgage loans and personal loans during the period.

7. PROFIT BEFORE TAX

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

	2019	2018
	(Unaudited)	(Restated)
	HK$'000	*HK$'000*
Depreciation of items of property, plant and equipment	**12,934**	14,006
Depreciation of right-of-use assets	**47**	–
Employee costs	**10,059**	10,182
Reversal of impairment losses on loan and interest receivables	**–**	(1,023)

8. 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. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2019	2018
	(Unaudited)	(Restated)
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the period	**5,225**	4,702
Deferred	**(313)**	15,787
Total tax charge for the period	**4,912**	20,489

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company of HK$12,018,000 (2018 (Restated): HK$13,437,000), and the number of ordinary shares of 5,780,368,705 (2018: 5,780,368,705) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2019 and 30 September 2018 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculation of the basic and diluted earnings per share is based on:

	2019	2018
	(Unaudited)	(Restated)
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	**12,018**	13,437

	2019	2018
	(Unaudited)	(Unaudited)
Shares		
Number of ordinary shares in issue during the period, used in the basic and diluted earnings per share calculation	**5,780,368,705**	5,780,368,705

10. 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$15,234,000 (31 March 2019: HK$18,319,000). Except for trade receivables of approximately HK$43,844,000 (31 March 2019: HK$57,048,000) 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 2019	31 March 2019
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within 1 month	**50,401**	57,783
1 to 2 months	**6,575**	507
Trade receivables	**56,976**	58,290

Certain subsidiaries have pledged trade receivables with aggregate carrying values of HK$1,200,000 (31 March 2019: HK$822,000) to secure banking facilities granted.

11. LOAN AND INTEREST RECEIVABLES

	30 September 2019 (Unaudited) *HK$'000*	31 March 2019 (Restated) *HK$'000*
Loan and interest receivables	**634,234**	824,835
Less: Provision for impairment assessment of loan and interest receivables	**(1,680)**	(1,680)
Loan and interest receivables, net of provision	**632,554**	823,155
Less: non-current portion	**(200,038)**	(270,369)
Current portion	**432,516**	552,786

The Group's loan and interest receivables, which arise from the money lending business of providing mortgage loans and personal loans in Hong Kong, are denominated in Hong Kong dollars.

As at 30 September 2019, except for loan and interest receivables of HK$33,919,000 (31 March 2019 (Restated): HK$33,905,000) which are unsecured, bear interest and are repayable with fixed terms agreed with customers, all loan and interest receivables are secured by collateral provided by customers, bear interest and are repayable with fixed terms agreed with the customers. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the loan and interest receivables mentioned above.

A maturity profile of the loan and interest receivables as at the end of each reporting period, based on the maturity date, net of provision, is as follows:

	30 September 2019 (Unaudited) *HK$'000*	31 March 2019 (Restated) *HK$'000*
Current	**432,516**	552,786
Over 1 year and within 5 years	**135,581**	203,705
Over 5 years	**64,457**	66,664
	632,554	823,155

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2019 (Unaudited) *HK$'000*	31 March 2019 (Restated) *HK$'000*
Prepayments	**862**	4,508
Deposits and other receivables	**6,139**	4,712
	7,001	9,220
Less: Non-current portion	**(305)**	(4,026)
Current portion	**6,696**	5,194

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

Deposits and other receivables mainly represented rental and management fee deposits with landlords and professional fees paid on behalf of customers. Where applicable, an impairment analysis is performed at each reporting date by applying a loss rate approach with reference to historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The expected credit losses for the Group's deposits and other receivables are minimal.

13. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

	30 September 2019 (Unaudited) *HK$'000*	31 March 2019 (Restated) *HK$'000*
Accruals	**2,252**	2,690
Other payables and deposits received	**18,851**	21,692
Lease liabilities	**94**	–
	21,197	24,382
Portion classified as non-current liabilities	**(3,971)**	(3,338)
Current portion	**17,226**	21,044

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 2019 (2018: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Hit by the synchronized stagnation and the continuing US-China trade war, the first half of 2019 did not start out well for the global economy. Singapore and Hong Kong are two of the vital financial hubs suffering from the economic slowdown, let alone the months-long anti-government protest in Hong Kong further plunged the city into a technical recession – the GDP shrank 3.2% in the third quarter of this year after the fall of 0.4% in the preceding quarter.

With uncertainties arising from both the local and global fronts, the Group believes business plays an important role in creating opportunities for the Company as well as for the community. Therefore, the Group adhered to its proactive-yet-prudent strategy and further diversified our business by entering the money lending industry during the six months ended 30 September 2019 (the "Period"), broadening the sources of income for the Group.

Financial Review

On 30 September 2019, the Group completed an acquisition of 60% equity interest in ETC Finance Limited ("ETC") at a total final consideration of HK$497,640,000. ETC has become an indirect non-wholly owned subsidiary of the Company after the completion of the acquisition. The acquisition of ETC is considered to be a business combination under common control as the Company and ETC are both under the common control of Huang Group (BVI) Limited. As such, the condensed consolidated statement of profit or loss for the six months ended 30 September 2018 has been restated as a result of the adoption of merger accounting as if the business combination had occurred from the beginning of the earliest financial years presented.

Revenue and Results

The Group's revenue recorded a decrease by 5.6% from HK$84,638,000 (Restated) for the corresponding period of last year to HK$79,857,000 for the Period. The decrease was mainly due to (i) a decrease in charter service income from HK$41,779,000 for last period to HK$37,459,000 for the Period; (ii) fair value losses on derivative financial instruments of HK$420,000 (2018: fair value gains of HK$3,184,000); and (iii) a decrease in dividend income from equity investments at fair value through profit or loss from HK$3,361,000 for last period to HK$1,128,000 for the Period. The decrease in revenue was partially offset by (i) a decrease in net realized and unrealized losses on equity investments at fair value through profit or loss from HK$8,608,000 for last period to HK$4,127,000 for the Period; and (ii) an increase in interest income from secured mortgage loans and unsecured personal loans from HK$34,823,000 (Restated) for last period to HK$35,720,000 for the Period.

Together with the primary effect of (i) fair value losses of HK$16,400,000 (2018: fair value gains of HK$7,558,000) on investment properties in the condensed consolidated statement of profit or loss; (ii) decrease in foreign exchange losses from HK$11,470,000 for last period to HK$1,189,000 for the Period; and (iii) decrease in income tax expense from HK$20,489,000 (Restated) for last period to HK$4,912,000 for the Period, the Group recorded profit attributable to owners of the Company of HK$12,018,000 for the Period, representing a decrease of 10.6% from HK$13,437,000 (Restated) of last period. Basic earnings per share was HK0.21 cents (2018 (Restated): HK0.23 cents per share).

Business Segment Review

Money Lending

In light of the increasing number of borrowers turning to licensed money lenders to obtain mortgage loans and personal loans, the Group completed the acquisition of 60% equity interest in ETC, which is principally engaged in provision of finance under a money lender licence in Hong Kong, at a total final consideration of HK$497,640,000 on 30 September 2019. Since then, ETC has become an indirect non-wholly owned subsidiary of the Company. The Group recorded interest income from secured mortgage loans and unsecured personal loans amounting to HK$35,720,000, which was slightly increased by 2.6% compared to HK$34,823,000 (Restated) for last period. The increase in revenue was mainly attributable to an increase in interest income from secured mortgage loans.

In addition, the Group recorded (i) a decrease in advertising and promotion expenses from HK$2,268,000 for last period to HK$1,009,000 for the Period; and (ii) reversal of impairment losses of HK$1,023,000 on loan and interest receivables in last period, which led to an increase of 9.0% in segment profit to HK$30,609,000 for the Period (2018 (Restated): HK$28,074,000).

Cruise Ship Charter Services

The charter services of two cruise ships namely "Leisure World" and "Aegean Paradise" recorded income of HK$37,459,000 for the Period (2018: HK$41,779,000). The decrease of 10.3% was mainly due to the discontinued operation of a cruise ship named as "Amusement World" by the charterer on 2 July 2018. On 31 August 2018, the Group disposed of its entire interest in a non-wholly owned subsidiary, which held 100% beneficial ownership in "Amusement World", to an independent third party.

In conjunction with (i) a decrease in depreciation of cruise ships from HK$10,852,000 for last period to HK$9,250,000 for the Period was recorded since the disposal of "Amusement World" on 31 August 2018; (ii) maintenance expenses of HK$5,486,000 incurred for "Amusement World" during its cessation of operation from 2 July 2018 to 31 August 2018; (iii) decrease in foreign exchange losses to HK$1,189,000 (2018: HK$3,809,000) for the Period; and (iv) surplus on revaluation of a cruise ship of HK$2,672,000 recognised in the condensed consolidated statement of profit or loss in the prior period, the Group recorded an increase of 12.7% in segment profit to HK$26,963,000 for the Period (2018: HK$23,927,000).

Property Investments

During the Period, the Group's property investment income from external customers stood at HK$10,097,000 (2018 (Restated): HK$10,099,000). In which, the rental income from Hong Kong properties decreased slightly by 0.1% to HK$9,142,000 (2018 (Restated): HK$9,154,000). For Singapore properties, the increase in rental rate of certain retail units drove the rental income up by 1.1% to HK$955,000 (2018: HK$945,000).

In general, the Group's investment properties recorded an occupancy rate of about 97% (31 March 2019: 100%) with an average annual rental yield of 3.4% (31 March 2019: 3.2%).

During the Period, the Group recorded fair value losses of HK$16,400,000 (2018: fair value gains of HK$7,558,000). Hong Kong properties recorded fair value losses of HK$16,400,000 (2018: fair value gains of HK$6,400,000) while no fair value gains or losses (2018: fair value gains of HK$1,158,000) were recorded for Singapore properties. For the Period, the segment recorded a loss of HK$8,024,000 (2018: a profit of HK$15,817,000).

Securities Trading

After the disposal of all stocks listed in Singapore in August 2018, the securities portfolio of the Group only consisted of blue chips in the Hong Kong stock market. Due to the economic uncertainties in the local and global stock markets, the Group recorded negative revenue of HK$3,419,000 for the Period (2018: HK$2,063,000), which represented that (i) net realized and unrealized losses of HK$4,127,000 (2018: HK$8,608,000) on equity investments at fair value through profit or loss; (ii) dividend income from equity investments at fair value through profit or loss of HK$1,128,000 (2018: HK$3,361,000); and (iii) fair value losses on derivative financial instruments of HK$420,000 (2018: fair value gains of HK$3,184,000). However, since there were no foreign exchange losses (2018: HK$3,846,000), the segment loss dropped to HK$3,402,000 (2018: HK$5,912,000) for the Period.

As at 30 September 2019, the Group's equity investments at fair value through profit or loss amounted to HK$40,375,000. There were no individual equity investments held by the Group which market value was more than 5% of the net assets value of the Group. The details of the Group's equity investments as at 30 September 2019 were as below:

Name of stock listed on the stock exchange of Hong Kong (Stock Code)	**Number of shares held**	**Percentage of shareholding held**	**Investment cost** *HK$'000*	**Market value** *HK$'000*	**Percentage to net assets value of the Group**
CK Hutchison Holdings Limited (0001)	60,000	0.0016	4,835	4,152	0.20
The Hong Kong and China Gas Company Limited (0003)	220,000	0.0013	2,648	3,362	0.16
Henderson Land Development Company Limited (0012)	44,000	0.0009	1,738	1,606	0.08
Sun Hung Kai Properties Limited (0016)	20,000	0.0007	2,509	2,256	0.11
Hong Kong Exchanges and Clearing Limited (0388)	2,000	0.0002	528	460	0.02
China Construction Bank Corporation (0939)	1,184,000	0.0005	8,141	7,080	0.35
China Mobile Limited (0941)	178,000	0.0009	12,425	11,543	0.56
Ping An Insurance (Group) Company of China, Ltd. (2318)	40,000	0.0005	2,692	3,602	0.18
Tracker Fund of Hong Kong (2800)	120,000	0.0040	3,385	3,234	0.16
Bank of China Limited (3988)	1,000,000	0.0012	3,990	3,080	0.15
Total for equity investments at fair value through profit or loss			42,891	40,375	1.97

Information on the performance of the Group's equity investments for the six months ended 30 September 2019 was as below:

	Net realized and unrealized fair value losses *HK$'000*	Dividend income *HK$'000*
Stocks listed on the stock exchange of Hong Kong	(4,127)	1,128

Contingent Liabilities

As at 30 September 2019, the Company had outstanding guarantees of HK$190,000,000 (31 March 2019: HK$190,000,000) given to banks to secure general credit facilities for certain subsidiaries. No credit facilities (31 March 2019: Nil) were utilized by the subsidiaries from such guarantees at the end of the reporting period.

Charge on the Group's Assets

As at 30 September 2019, some of the Group's land and buildings as well as investment properties with an aggregate carrying amount of HK$324,819,000 (31 March 2019: HK$471,127,000), some of the Group's trade receivables (rental) with a carrying amount of HK$1,200,000 (31 March 2019: HK$822,000) and the Group's equity investments with a carrying amount of HK$40,375,000 (31 March 2019: HK$27,984,000) were pledged to banks and securities dealers for loan facilities worth HK$195,983,000 (31 March 2019: HK$187,739,000) granted to the Group. As at 30 September 2019, no loan facilities (31 March 2019: Nil) were utilized by the Group.

Liquidity and Financial Resources

As at 30 September 2019, the Group had net current assets of HK$934,692,000 (31 March 2019 (Restated): HK$1,300,811,000) and equity attributable to owners of the Company worth HK$1,649,663,000 (31 March 2019 (Restated): HK$2,133,187,000).

As at 30 September 2019, a loan advanced from a non-controlling shareholder of the Group's subsidiary was HK$131,823,000 (31 March 2019: HK$131,823,000). The loan was denominated in United States dollar, which was unsecured, interest-free and repayable on demand.

As at 30 September 2019, the Group's gearing ratio, calculated as total indebtedness divided by equity attributable to owners of the Company, was 0.10 (31 March 2019 (Restated): 0.16). Total indebtedness represents a loan advanced from a non-controlling shareholder of the Group's subsidiary, amounts due to group companies and related companies.

Exposure to Equity Prices, Interest Rate Risks and Foreign Exchange

The Group is exposed to risks arising from individual equity investments classified as trading equity investments. The Group's equity investments of HK$40,375,000 (31 March 2019: HK$27,984,000) are listed on the stock exchange of Hong Kong and are valued at quoted market prices at the end of the reporting period.

As at 30 September 2019, the Group's cash and cash equivalents of HK$579,616,000 (31 March 2019 (Restated): HK$996,257,000) were held predominately in Hong Kong dollar, Singapore dollar and United States dollar. A loan of HK$131,823,000 (31 March 2019: HK$131,823,000) advanced from a non-controlling shareholder of Group's subsidiary was denominated in United States dollar and charged at interest-free rate. 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 2019, the Group had a total of 33 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 2019, the Group had 386,640,000 outstanding share options granted to eligible directors and employees of the Group.

Acquisition of 60% Equity Interest in ETC

On 18 June 2019, the Group, through a wholly-owned subsidiary of the Company, entered into a conditional agreement (the "Agreement") with three connected persons of the Company to acquire in aggregate of 60% equity interest in ETC at the initial consideration (subject to adjustment) of HK$457,640,000 (the "Acquisition"). ETC is a licensed money lender in Hong Kong with a total loan portfolio of approximately HK$628,138,000 comprising mortgage loans and personal loans as at 30 September 2019.

On 30 September 2019, all the conditions precedent of the Agreement had been fulfilled and completion took place in accordance with the terms and conditions of the Agreement. The Acquisition was completed at a total final consideration capped at HK$497,640,000. Since then, ETC has become an indirect non-wholly owned subsidiary of the Company.

The Acquisition constituted a major transaction of the Company. By reason of the vendors' interest in ETC and the Company, the vendors were regarded as connected persons of the Company and the Acquisition also constituted a connected transaction, which was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A special general meeting of the Company was convened and held for the independent shareholders to approve the Agreement and the transactions as contemplated thereunder. For details of the Acquisition, please refer to the Company's announcements dated 18 June 2019, 13 August 2019 and 30 September 2019, respectively, as well as the Company's circular dated 23 August 2019.

Prospects

With no end in sight for the US-China trade war and the Hong Kong protest, the Group anticipates next year will be another challenging one. However, amid concerns of a further slowdown in the global economy, we believe, with the increasing effort and measures implemented by the Chinese government, the tensions will turn into a positive force and help build a better regulated and better structured economy in which we all will benefit from in the medium-to-long run.

Moving forward, the Group will remain cautiously optimistic on its business prospects. With our solid experience in risk management, we will keep a close eye on the economic and political conditions in order to swiftly adjust our investment strategy. We will continue to strengthen our existing business portfolio and proactively seek the opportunities that lie beneath the uncertainty in order to create sustained value for our shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2019, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 September 2019.

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 2019.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 September 2019 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 2019.

On behalf of the Board
Ng Wee Keat
Chairman

Hong Kong, 27 November 2019

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.