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**New Century Group Hong Kong Limited**  
**新世紀集團香港有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 234)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF VESSEL – LEISURE WORLD**

**THE DISPOSAL**

On 22 April 2021 (after trading hours of Stock Exchange), the Vendor, being an indirect non-wholly owned subsidiary of the Company, entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire, the Vessel at a consideration of US\$3,591,880.60 (equivalent to approximately HK\$27,909,000).

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the Disposal under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

**THE DISPOSAL**

The Board hereby announces that on 22 April 2021 (after trading hours of the Stock Exchange), the Vendor, being an indirect non-wholly owned subsidiary of the Company, entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire, the Vessel at a consideration of US\$3,591,880.60 (equivalent to approximately HK\$27,909,000). Principal terms of the Agreement are set out below:

*\* For identification purpose only*

## THE AGREEMENT

**Date:** 22 April 2021

**Parties:**

- (a) Vendor: Queenston Maritime Limited, a company incorporated under the laws of the BVI with limited liability and an indirect non-wholly owned subsidiary of the Company
- (b) Purchaser: NKD Maritime Limited, a company incorporated in United Kingdom with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules) and do not hold any Shares as at the date of this announcement.

**Assets to be disposal of:**

Pursuant to the Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the Vessel named MV "LEISURE WORLD". The Vessel is a passenger cruise with a carrying capacity of 1,252 persons and is to be sold for demolition purpose only. Details of the Vessel is set out in the section headed "Information of the Vessel" below.

**Consideration and payment terms:**

The Consideration for the Disposal is US\$3,591,880.60 (equivalent to approximately HK\$27,909,000) and shall be payable by the Purchaser to the Vendor in the following manner:

- (1) a deposit of 30% of the Consideration, amounting to US\$1,077,564.18 (equivalent to approximately HK\$8,373,000) (the "**Deposit**") shall be paid within three (3) Banking Days from the date on which the Agreement has been executed; and
- (2) the balance of US\$2,514,316.42 (equivalent to approximately HK\$19,536,000) representing 70% of the Consideration shall be paid on delivery of the Vessel, but not later than three (3) Banking Days from the date on which the Vendor serve upon the Purchaser, a notice confirming that the Vessel is ready for delivery in accordance with the terms of the Agreement.

**Basic of consideration:**

The Consideration was determined after arm's length negotiation on normal commercial terms between the Vendor and the Purchaser having taken into consideration (i) the estimation on the weight of scrap materials which could be demolished from the Vessel; and (ii) the market purchase price of ship scrap metal.

**Delivery of the Vessel**

The Vessel is expected to be delivered between 15 May 2021 to 25 May 2021 subject to extension in accordance with the terms of the Agreement. Should the Vendor fail to complete the Disposal, the Purchaser shall have the option of cancelling the Agreement or otherwise the parties may agree on a new delivery date in accordance with the Agreement.

Upon delivery, the Group will not hold any interests in the Vessel.

## INFORMATION OF THE PARTIES

### The Vendor

The Vendor is a limited liability company incorporated in the British Virgin Islands and an indirect non-wholly owned subsidiary of the Company. The principal activity of the Vendor is the chartering of the Vessel.

### The Purchaser

The Purchaser is a limited liability company incorporated in United Kingdom and a UK based cash buying company, serving recycling clients in India, Pakistan and Bangladesh. The principal activities of the Purchaser involve the recycling steel business since 1993.

## INFORMATION OF THE VESSEL

The Vessel was built around 1969 with a carrying capacity of 1,252 persons and is operating as a cruise liner. It is sold for demolition purposes only. Its lightweight is estimated to weigh 9,478.83 metric tonnes, equivalent to 9,329.56 net Long Tons.

As the Vessel is the sole asset of the Vendor, the Company considers that the financial position of the Vendor should be a good indicator of the profit/(loss) attributable to the Vessel. Set out below is the unaudited financial information of the Vendor for the six months ended 30 September 2020 (“**Interim 2020**”) and the audited financial information of the Vendor for the year ended 31 March 2019 (“**FY2018/2019**”) and for the year ended 31 March 2020 (“**FY2019/2020**”):

	<b>Interim 2020</b>		<b>FY2019/2020</b>		<b>FY2018/2019</b>	
	(unaudited)		(audited)		(audited)	
	<i>S\$'000</i>	<i>HK\$'000</i>	<i>S\$'000</i>	<i>HK\$'000</i>	<i>S\$'000</i>	<i>HK\$'000</i>
Revenue	0	0	3,514	20,311	5,115	29,565
Profit/(loss) before taxation	(2,252)	(13,017)	2,179	12,595	4,276	24,715
Profit/(loss) after taxation	(2,252)	(13,017)	2,179	12,595	4,276	24,715

The unaudited carrying value of Vessel as at 30 September 2020 was S\$3,690,476 (equivalent to approximately HK\$21,331,000).

## REASONS FOR AND THE BENEFIT OF THE DISPOSAL

The principal activities of the Group comprise money lending, cruise ship charter services, property investments and securities trading.

The global outbreak of COVID-19 has severely affected the operations of our cruise ships. Border closure, travel restrictions and compulsory quarantine measure imposed by the governments of Singapore and Malaysia from mid-March 2020 onwards have led to suspension of the operations of the Vessel. The Group not only was unable to receive the charter fees during the period of suspension and did not generate any revenue, but also incurred a special daily subsidy of S\$5,000 (equivalent to approximately HK\$29,000) for the maintenance of the Vessel since mid-March 2020 and thus suffered a loss from the Vessel. As it is unclear when the cruise ship operation will be resumed, the Board is of the view that the Disposal releases the Group from incurring further cash outflow and loss for the maintenance of the Vessel.

Facing a lack of passenger in the COVID-19 pandemic and seeking for measures to trim down operational costs, there is an increase in number of cruise ships retired and scraped. Coupled with the upward price trend of steel, the ship scrap market is strong. Taking advantage of such atmosphere, the Consideration determined based on the scrap metal value estimated to be recycled from the Vessel is higher than the book value of the Vessel. The Company thus expects a gain arising from the Disposal as explained below and is of the view that the disposal of the Vessel is a suitable way to realise its investment in the unrest market environment.

Having considered the above, the Directors consider and believe that the terms of the Agreement, including the Consideration, are on normal commercial terms, fair and reasonable and the entering into of the Agreement is in the interests of the Company and its shareholders as a whole.

#### **FINANCIAL EFFECTS OF THE DISPOSAL**

The Group expects to record an unaudited gain on disposal of approximately HK\$6,378,000 which is arrived at after deducting (i) the unaudited carrying value of the Vessel of S\$3,690,476 (equivalent to approximately HK\$21,331,000) as at 30 September 2020; and (ii) the transaction cost arising from the Disposal of approximately HK\$200,000, from the Consideration of US\$3,591,880.60 (equivalent to approximately HK\$27,909,000).

Shareholders and potential investors of the Company should note that the above figures are for illustrative purpose only. The actual accounting gain or loss in connection with the Disposal may be different from the above and the actual financial effect as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditor of the Company.

#### **INTENDED USE OF PROCEEDS**

The Company intends that the net proceeds from the Disposal of approximately HK\$27,709,000 will be applied as the Group's general working capital.

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the Disposal under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Agreement”	an agreement dated 22 April 2021 entered into by the Vendor and the Purchaser in relation to the disposal of the Vessel
“Banking Day”	a day on which banks are open in London, New York and Hong Kong
“BVI”	The British Virgin Islands
“Board”	the board of Directors
“Company”	New Century Group Hong Kong Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange with stock code 234
“Consideration”	US\$3,591,880.60 (equivalent to approximately HK\$27,909,000), being the money payable to the Vendor by the Purchaser for the sale of Vessel
“Directors”	the directors of the Company
“Disposal”	the disposal of the Vessel under the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	NKD Maritime Limited, a company incorporated in United Kingdom with limited liability, which is beneficially owned by Mr. Nairinder Dheir
“Shares”	Ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholders”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Queenston Maritime Limited, a company incorporated under the laws of the BVI with limited liability and an indirect non-wholly owned subsidiary of the Company

“Vessel”	a cruise liner, namely “Leisure World” owned by the Vendor
“UK”	United Kingdom
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*Throughout this announcement, amounts denominated in US\$ and SGD have been translated into HK\$ at an exchange rate of US\$1.00 to HK\$7.77 and S\$1.00 to HK\$5.78, respectively.*

On behalf of the Board  
**Ng Wee Keat**  
*Chairman*

Hong Kong, 22 April 2021

*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.*