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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 THE ENTIRE ISSUED SHARE CAPITAL OF AND
THE SALE LOAN OWED
BY KINGSTON MARITIME LIMITED

THE DISPOSAL

On 28 April 2023 (after trading hours of Stock Exchange), the Vendor, an indirect non-wholly owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Sale Share, being the entire issued share capital of the Target, and the Sale Loan for the Consideration of S\$7,650,000 (equivalent to approximately HK\$44,982,000).

Completion took place immediately after the execution of the Agreement. Following Completion, the Target has ceased to be a subsidiary of the Group.

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 Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE DISPOSAL

The Board announces that on 28 April 2023 (after trading hours of the Stock Exchange), the Vendor, an indirect non-wholly owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Sale Share, being the entire issued share capital of the Target, and the Sale Loan for the Consideration of S\$7,650,000 (equivalent to approximately HK\$44,982,000). Principal terms of the Agreement are set out below:

** For identification purpose only*

THE AGREEMENT

Date: 28 April 2023

Parties: (i) New Century Maritime Limited, an indirect non-wholly owned subsidiary of the Company, being the Vendor; and
(ii) Mr. Phee Peng Ghee, being the Purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Purchaser is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Assets disposed of

The assets disposed of are (i) the Sale Share, representing the entire issued share capital of the Target as at the date of the Agreement, and (ii) the Sale Loan, being all the outstanding amounts of the non-interest bearing shareholder's loan owed by the Target to the Vendor as at the date of the Agreement, which amounts to approximately S\$31,840,000 (equivalent to approximately HK\$187,219,000).

The Target is an indirect non-wholly owned subsidiary of the Company and the principal asset of which is the Vessel, "Aegean Paradise". Details of the Target is set out in the section headed "Information of the Target" below.

Consideration

Pursuant to the Agreement, the Consideration of S\$7,650,000 (equivalent to approximately HK\$44,982,000) has been paid by the Purchaser to the Vendor in full in cash at Completion.

The Consideration was determined upon arm's length negotiation on normal commercial terms between the Purchaser and the Vendor having taken into consideration (i) the unaudited net liabilities of the Target of approximately S\$24,218,000 (equivalent to approximately HK\$142,402,000) as at 31 March 2023 and (ii) the Sale Loan of approximately S\$31,843,000 (equivalent to approximately HK\$187,237,000) as at 31 March 2023. The aforesaid unaudited net liabilities of the Target have taken into account the valuation of the Vessel of US\$8,500,000 (equivalent to approximately HK\$66,300,000) as at 31 March 2023 performed by an independent valuer.

Completion

Completion took place immediately after the execution of the Agreement. Following Completion, the Vendor does not hold any equity interest in the Target and the Target has ceased to be a subsidiary of the Group and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

INFORMATION OF THE TARGET

The Target is a wholly-owned subsidiary of the Vendor, which is in turn indirectly owned as to 60% by the Company. The Target is principally engaged in cruise ship investment and the principal asset of which is the Vessel, “Aegean Paradise”. The Vessel was built in 1990 with a carrying capacity of 1,600 persons and had been operating as a cruise liner around Indonesia, Malaysia and Singapore for approximately 8 years.

Financial information of the Target

Set out below are the unaudited financial results of the Target for the year ended 31 March 2023 and the audited financial results of the Target for the year ended 31 March 2022:

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	<i>S\$'000</i> <i>(unaudited)</i>	<i>HK\$'000</i> <i>(approximately)</i>	<i>S\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(approximately)</i>
Revenue	480	2,822	-	-
Loss before taxation	(10,619)	(62,440)	(9,469)	(55,678)
Loss for the year	(10,619)	(62,440)	(9,469)	(55,678)

As at 31 March 2023, the unaudited net liabilities of the Target was approximately S\$24,218,000 (equivalent to approximately HK\$142,402,000).

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

As disclosed in the announcement of the Company dated 19 April 2023, the Group is expected to record a loss attributable to owners of the Company of approximately HK\$35 million for the year ended 31 March 2023 (2022: a loss of approximately HK\$2 million) and the deficit on the revaluation of the Vessel of approximately HK\$36 million was one of the significant contributing factors to the aforesaid loss. Furthermore, the Target is expected to record a loss of approximately S\$10,619,000 (equivalent to approximately HK\$62,440,000) for the year ended 31 March 2023, which is primarily attributable to the special subsidy paid for the maintenance of the Vessel and the aforementioned deficit on the revaluation of the Vessel. Its unaudited net liabilities as of 31 March 2023 amounted to approximately S\$24,218,000 (equivalent to approximately HK\$142,402,000). The Directors consider that the financial performance of the Target falls short of the Group’s expectations. Given the resources put in the Target and taking into account (i) the limited revenue generated from the cruise ship charter services business, which was heavily impacted by the pandemic and has not yet recovered; (ii) the continuing maintenance expenses for the operation of the Vessel; and (iii) the aforementioned deficit on the revaluation of the Vessel, the Directors are not optimistic about the prospects of the cruise ship charter services business and it is expected that performance of the Target will not substantially improve in the near future.

Given these circumstances, the Directors have carefully considered the impact of the Target on the financial performance of the Group and are of the view that the Disposal would allow the Group to mitigate its loss and realise its investment in the Target. The Disposal will also enable the Group to streamline its operations and provide an opportunity for the Group to deploy its capital on other principal businesses. Upon Completion, the Group has ceased the business of cruise ship charter services and will no longer own any vessel, thereby focusing on the Group's remaining principal businesses.

Having considered the above, the Directors are of the view that the terms of the Agreement are normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Based on (i) the Consideration of S\$7,650,000 (equivalent to approximately HK\$44,982,000); (ii) the unaudited net liabilities of the Target of approximately S\$24,218,000 (equivalent to approximately HK\$142,402,000) as at 31 March 2023; (iii) the Sale Loan of approximately S\$31,840,000 (equivalent to approximately HK\$187,219,000) as at the date of the Agreement; (iv) the professional fees incurred for the Disposal of approximately HK\$350,000; and (v) the release of the Group's exchange translation reserve as at 31 March 2023 of approximately HK\$9,639,000 arising from the Disposal, it is expected that the Group will record an unaudited gain from the Disposal of approximately HK\$9,454,000. The actual financial effect in connection with the Disposal is subject to review and final audit by the Company's auditor.

INTENDED USE OF PROCEEDS

The net proceeds of the Disposal is estimated to be approximately HK\$44,632,000, which 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 Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 28 April 2023 entered into between the Purchaser and the Vendor in respect of the Disposal
“Board”	the board of Directors
“BVI”	The British Virgin Islands

“Company”	New Century Group Hong Kong Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange with stock code 234
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Sale Share and the Sale Loan
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan pursuant to the Agreement
“Group”	the Company and its subsidiaries from time to time
“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”	Mr. Phee Peng Ghee
“Sale Loan”	a non-interest bearing shareholder’s loan owed by the Target to the Vendor, the outstanding amount of which is approximately S\$31,840,000 (equivalent to approximately HK\$187,219,000) immediately prior to the Completion
“Sale Share”	one (1) ordinary share in the capital of the Target, representing its entire issued share capital as of the date of the Agreement
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Kingston Maritime Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Vendor immediately before Completion
“Vendor”	New Century Maritime Limited, a company incorporated in the BVI with limited liability, being an indirect non-wholly owned subsidiary of the Company and the registered, legal and beneficial owner of the Vessel

“Vessel”	the cruise ship named “Aegean Paradise”
“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, for illustration only, (i) amounts in S\$ have been translated into HK\$ at the exchange rate of S\$1.00 to HK\$5.88; and (ii) amounts in US\$ have been translated into HK\$ at the exchange rate of US\$1.00 to HK\$7.80.

On behalf of the Board
Ng Wee Keat
Chairman

Hong Kong, 28 April 2023

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.