

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**New Century Group Hong Kong Limited**  
**新世紀集團香港有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 234)**

**ANNOUNCEMENT OF RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

The board of directors (the “Board”) of New Century Group Hong Kong Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2023 together with comparative figures for the previous year as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*Year ended 31 March 2023*

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000 (Restated)
<b>CONTINUING OPERATIONS</b>			
REVENUE	5	<b>80,068</b>	80,741
Other income	5	<b>7,386</b>	796
Administrative and operating expenses		<b>(44,104)</b>	(41,865)
Foreign exchange differences, net		<b>28</b>	–
Loss on deregistration of a subsidiary		<b>(270)</b>	–
Gain on disposal of a non-current asset held for sale		–	714
Fair value gains/(losses) on investment properties, net		<b>(12,292)</b>	15,502
Finance costs		<b>(4)</b>	(8)
Reversal of/(provision for) impairment losses on loan and interest receivables, net	12	<b>(2,794)</b>	498
Reversal of/(provision for) impairment losses on repossessed assets		<b>(1,941)</b>	11

\* *For identification purpose only*

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

*Year ended 31 March 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	<b>26,077</b>	56,389
Income tax expense	7	<u>(9,222)</u>	<u>(6,775)</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		<b>16,855</b>	49,614
<b>DISCONTINUED OPERATION</b>			
Loss for the year from a discontinued operation	8	<u>(60,743)</u>	<u>(56,449)</u>
LOSS FOR THE YEAR		<u><b>(43,888)</b></u>	<u>(6,835)</u>
Attributable to:			
Owners of the Company		<b>(36,866)</b>	(1,501)
Non-controlling interests		<u>(7,022)</u>	<u>(5,334)</u>
		<u><b>(43,888)</b></u>	<u>(6,835)</u>
<b>EARNINGS/(LOSS) PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	10		
Basic			
– For loss for the year		<u><b>HK(0.64) cents</b></u>	<u>HK(0.03) cents</u>
– For profit/(loss) from continuing operations		<u><b>HK(0.01) cents</b></u>	<u>HK0.56 cents</u>
Diluted			
– For loss for the year		<u><b>HK(0.64) cents</b></u>	<u>HK(0.03) cents</u>
– For profit/(loss) from continuing operations		<u><b>HK(0.01) cents</b></u>	<u>HK0.56 cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
<b>LOSS FOR THE YEAR</b>	<b>(43,888)</b>	<b>(6,835)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<b>4,393</b>	114
Release of exchange reserve upon deregistration of a subsidiary	<u>270</u>	<u>—</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u><b>4,663</b></u>	<u>114</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Change in fair value of an equity investment designated at fair value through other comprehensive income	<u>945</u>	<u>(1,417)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<u><b>5,608</b></u>	<u>(1,303)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u><b>(38,280)</b></u>	<u><b>(8,138)</b></u>
Attributable to:		
Owners of the Company	<b>(31,557)</b>	(2,837)
Non-controlling interests	<u><b>(6,723)</b></u>	<u>(5,301)</u>
	<u><b>(38,280)</b></u>	<u><b>(8,138)</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2023

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>118,900</b>	225,365
Investment properties		<b>547,700</b>	556,308
Equity investment designated at fair value through other comprehensive income		<b>2,985</b>	2,040
Prepayments and other receivables	11	<b>546</b>	556
Loan receivables	12	<b>167,711</b>	231,469
		<hr/>	<hr/>
Total non-current assets		<b>837,842</b>	1,015,738
<b>CURRENT ASSETS</b>			
Trade receivables	13	<b>384</b>	8,842
Loan and interest receivables	12	<b>655,712</b>	505,829
Prepayments, deposits and other receivables	11	<b>6,976</b>	5,613
Repossessed assets		<b>58,133</b>	53,358
Equity investments at fair value through profit or loss		–	80,075
Tax recoverable		–	33
Cash and cash equivalents		<b>456,010</b>	401,548
		<hr/>	<hr/>
		<b>1,177,215</b>	1,055,298
Assets of a disposal group classified as held for sale	8	<b>66,317</b>	–
		<hr/>	<hr/>
Total current assets		<b>1,243,532</b>	1,055,298
<b>CURRENT LIABILITIES</b>			
Accruals, other payables and deposits received	14	<b>8,405</b>	22,068
Lease liabilities		<b>72</b>	134
Tax payable		<b>1,291</b>	169
Due to the intermediate holding company		<b>80,000</b>	40,000
Loan advanced from a non-controlling shareholder of the Group's subsidiary		<b>71,823</b>	71,823
		<hr/>	<hr/>
		<b>161,591</b>	134,194
Liabilities directly associated with the assets classified as held for sale	8	<b>21,333</b>	–
		<hr/>	<hr/>
Total current liabilities		<b>182,924</b>	134,194

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*continued*)

31 March 2023

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
<b>NET CURRENT ASSETS</b>		<b><u>1,060,608</u></b>	<u>921,104</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>1,898,450</u></b>	<u>1,936,842</u>
<b>NON-CURRENT LIABILITIES</b>			
Deposits received	14	<b>1,184</b>	1,447
Lease liabilities		–	72
Deferred tax liabilities		<b><u>17,792</u></b>	<u>17,569</u>
Total non-current liabilities		<b><u>18,976</u></b>	<u>19,088</u>
Net assets		<b><u><u>1,879,474</u></u></b>	<u><u>1,917,754</u></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital		<b>14,451</b>	14,451
Reserves		<b><u>1,533,696</u></b>	<u>1,565,253</u>
		<b>1,548,147</b>	1,579,704
<b>Non-controlling interests</b>		<b><u>331,327</u></b>	<u>338,050</u>
Total equity		<b><u><u>1,879,474</u></u></b>	<u><u>1,917,754</u></u>

*Notes:*

## **1. CORPORATE AND GROUP INFORMATION**

New Century Group Hong Kong Limited 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 money lending, cruise ship charter services, property investment and securities trading. In March 2023, the directors decided to dispose of Kingston Maritime Limited (“KML”), an indirect non-wholly owned subsidiary of the Company, which is solely engaged in cruise ship charter services. Since then, the Group has discontinued its cruise ship charter services business. The accompanying consolidated financial statements and comparative figures have been re-presented to reflect the results of the discontinued operation separately.

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. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for a cruise ship, investment properties, equity investments at fair value through profit or loss and an equity investment designated at fair value through other comprehensive income which have been measured at fair value. Disposal group held for sale is stated at the lower of their carrying amounts and fair values less costs to sell. The financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

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

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

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

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

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 April 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 April 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 April 2022. The amendments did not have any impact on the financial position or performance of the Group.



(d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- *HKFRS 9 Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 April 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

#### 4. OPERATING SEGMENT INFORMATION

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

- (a) the money lending segment engages in the provision of mortgage loans and unsecured personal loans;
- (b) the property investment segment invests in prime office space and commercial shops for their rental income potential; and
- (c) the securities trading segment engages in the trading of marketable securities for short-term investment purposes.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, gain on disposal of a non-current asset held for sale, loss on deregistration of a subsidiary, corporate income as well as corporate expenses are excluded from such measurement.

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

Segment liabilities exclude a loan advanced from a non-controlling shareholder of the Group's subsidiary, an amount due to the intermediate holding company, tax payable, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

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

	Money lending		Property investment		Securities trading		Total	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000 (Restated)
<b>Segment revenue:</b>								
Revenue from external customers	72,491	61,060	15,530	16,275	(7,953)	3,406	80,068	80,741
Intersegment sales	–	–	3,071	3,071	–	–	3,071	3,071
Other income	817	13	24	76	4	–	845	89
	<u>73,308</u>	<u>61,073</u>	<u>18,625</u>	<u>19,422</u>	<u>(7,949)</u>	<u>3,406</u>	<u>83,984</u>	<u>83,901</u>
<i>Reconciliation:</i>								
Elimination of intersegment sales							(3,071)	(3,071)
Total revenue and other income from continuing operations							<u>80,913</u>	<u>80,830</u>
<b>Segment results</b>	<b>54,730</b>	<b>49,005</b>	<b>(389)</b>	<b>28,284</b>	<b>(7,963)</b>	<b>3,385</b>	<b>46,378</b>	<b>80,674</b>
<i>Reconciliation:</i>								
Bank interest income							6,044	699
Gain on disposal of a non-current asset held for sale							–	714
Loss on deregistration of a subsidiary							(270)	–
Corporate and other unallocated income							497	8
Corporate and other unallocated expenses							(26,572)	(25,706)
Profit before tax from continuing operations							<u>26,077</u>	<u>56,389</u>
<b>Segment assets</b>	<b>886,613</b>	<b>794,772</b>	<b>548,849</b>	<b>558,072</b>	<b>125</b>	<b>88,251</b>	<b>1,435,587</b>	<b>1,441,095</b>
<i>Reconciliation:</i>								
Corporate and other unallocated assets							579,470	529,321
Assets related to a discontinued operation							66,317	100,620
Total assets							<u>2,081,374</u>	<u>2,071,036</u>
<b>Segment liabilities</b>	<b>3,469</b>	<b>1,705</b>	<b>3,558</b>	<b>4,993</b>	<b>–</b>	<b>–</b>	<b>7,027</b>	<b>6,698</b>
<i>Reconciliation:</i>								
Corporate and other unallocated liabilities							173,540	131,255
Liabilities related to a discontinued operation							21,333	15,329
Total liabilities							<u>201,900</u>	<u>153,282</u>
<b>Other segment information:</b>								
Depreciation	246	287	–	–	–	–	246	287
Fair value losses/(gains) on investment properties, net	–	–	12,292	(15,502)	–	–	12,292	(15,502)
Fair value losses on equity investments at fair value through profit or loss, net	–	–	–	–	13,578	1,671	13,578	1,671
Provision for/(reversal of) impairment losses on loan and interest receivables, net	2,794	(498)	–	–	–	–	2,794	(498)
Provision for/(reversal of) impairment losses on repossessed assets	1,941	(11)	–	–	–	–	1,941	(11)
Capital expenditure*	46	134	–	–	–	–	46	134

\* Capital expenditure consists of additions to office equipment.

## Geographical information

### (a) Revenue from external customers and other income

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Hong Kong	<b>78,640</b>	78,972
Southeast Asia except Hong Kong	<b>2,273</b>	1,858
	<b>80,913</b>	80,830

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

### (b) Non-current assets

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Hong Kong	<b>657,857</b>	747,770
Southeast Asia except Hong Kong	<b>177,000</b>	165,308
	<b>834,857</b>	913,078

The non-current asset information from continuing operations above is based on the locations of the assets and excludes an equity investment designated at fair value through other comprehensive income.

## 5. REVENUE AND OTHER INCOME

Revenue represents interest income from mortgage loans and unsecured personal loans, gross rental income from investment properties, fair value gains/losses on equity investments at fair value through profit or loss and dividend income from equity investments at fair value through profit or loss during the year.

An analysis of revenue and other income from continuing operations is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
<b>Revenue</b>		
Interest income from mortgage loans and unsecured personal loans	72,491	61,060
Gross rental income from investment properties	15,530	16,275
Fair value losses on equity investments at fair value through profit or loss, net	(13,578)	(1,671)
Dividend income from equity investments at fair value through profit or loss	5,625	5,077
	<u>80,068</u>	<u>80,741</u>
<b>Other income</b>		
Bank interest income	6,044	699
Government grants ( <i>Note</i> )	1,271	–
Others	71	97
	<u>7,386</u>	<u>796</u>

*Note:*

This consisted of government subsidies from the Government of the Hong Kong Special Administrative Region under the Employment Support Scheme and the Technology Voucher Programme. There were no unfulfilled conditions or contingencies attaching to these government grants that had been recognised by the Group.

## 6. PROFIT BEFORE TAX

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

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000 (Restated)
Depreciation		<b>5,897</b>	7,488
Auditor's remuneration		<b>1,850</b>	1,680
Employee benefit expense (including directors' remuneration):			
Salaries and allowances		<b>19,968</b>	18,574
Pension scheme contributions*		<b>736</b>	882
		<hr/>	<hr/>
Total staff costs		<b>20,704</b>	19,456
		<hr/>	<hr/>
Lease payments not included in the measurement of lease liabilities		<b>541</b>	295
Foreign exchange differences, net		<b>(28)</b>	–
Loss on deregistration of a subsidiary		<b>270</b>	–
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		<b>3,093</b>	3,049
Fair value losses/(gains) on investment properties, net		<b>12,292</b>	(15,502)
Provision for/(reversal of) impairment losses on loan and interest receivables, net	12	<b>2,794</b>	(498)
Provision for/(reversal of) impairment losses on repossessed assets		<b>1,941</b>	(11)
		<hr/> <hr/>	<hr/> <hr/>

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2022: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	<b>8,799</b>	7,722
Overprovision in prior years	–	(164)
Current – Elsewhere		
Charge for the year	<b>219</b>	168
Overprovision in prior years	<b>(19)</b>	–
Deferred	<b>223</b>	(951)
	<hr/>	<hr/>
Total tax charge for the year from continuing operations	<b>9,222</b>	6,775
	<hr/> <hr/>	<hr/> <hr/>

## 8. DISCONTINUED OPERATION

In March 2023, the directors decided to dispose of KML, an indirect non-wholly owned subsidiary of the Company, which is solely engaged in cruise ship charter services. Since then, the Group has discontinued its cruise ship charter services business. The Group has decided to cease its cruise ship charter services business because it plans to focus its resources on other principal businesses. As at 31 March 2023, final negotiations for the disposal were in progress. KML was classified as a disposal group held for sale and the cruise ship charter services business was classified as a discontinued operation (the “Discontinued Operation”). Therefore, the cruise ship charter services business is no longer in the note for operating segment information. The disposal of KML was completed on 28 April 2023.

The results of the Discontinued Operation for the year are presented below:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	2,746	–
Cost of services provided	<u>(7,084)</u>	<u>(7,780)</u>
Gross profit	(4,338)	(7,780)
Administrative and operating expenses	(20,824)	(36,468)
Foreign exchange differences, net	(1)	(200)
Deficit on revaluation of a cruise ship	<u>(35,580)</u>	<u>(12,001)</u>
Loss for the year from a discontinued operation	<u><u>(60,743)</u></u>	<u><u>(56,449)</u></u>
Attributable to:		
Owner of the Company	(36,446)	(33,869)
Non-controlling interest	<u>(24,297)</u>	<u>(22,580)</u>
	<u><u>(60,743)</u></u>	<u><u>(56,449)</u></u>

The assets and liabilities of the Discontinued Operation classified as held for sale as at 31 March are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>Assets</i>		
Property, plant and equipment	66,300	–
Cash at bank	<u>17</u>	<u>–</u>
Assets classified as held for sale	<u><u>66,317</u></u>	<u><u>–</u></u>
<i>Liabilities</i>		
Accruals and other payables ( <i>Note</i> )	(14,253)	–
Deposit received	<u>(7,080)</u>	<u>–</u>
Liabilities directly associated with the assets classified as held for sale	<u><u>(21,333)</u></u>	<u><u>–</u></u>
Net assets directly associated with the disposal group	<u><u>44,984</u></u>	<u><u>–</u></u>

*Note:*

Included in the accruals and other payables was an amount due to a non-controlling shareholder of the Group's subsidiary, New Century Cruise Line International Limited of HK\$7,598,000 (2022: Nil).

The net cash flows incurred by the Discontinued Operation are as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Operating activities	<b>7,371</b>	521
Investing activities	<b>(7,366)</b>	27,861
Financing activities	<b>(90)</b>	(28,331)
	<u>          </u>	<u>          </u>
Net cash inflow/(outflow)	<b>(85)</b>	51
	<u>          </u>	<u>          </u>

	<b>2023</b>	2022
Loss per share:		
Basic, from the discontinued operation	<b>HK(0.63) cents</b>	HK(0.59) cents
Diluted, from the discontinued operation	<b>HK(0.63) cents</b>	HK(0.59) cents
	<u>          </u>	<u>          </u>

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

	<b>2023</b>	2022
Loss attributable to ordinary equity holder of the Company from the discontinued operation	<b>HK\$36,446,000</b>	HK\$33,869,000
Number of ordinary shares in issue during the year used in the basic loss per share calculation ( <i>note 10</i> )	<b>5,780,368,705</b>	5,780,368,705
Number of ordinary shares in issue during the year used in the diluted loss per share calculation ( <i>note 10</i> )	<b>5,780,368,705</b>	5,780,368,705

## 9. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2023 (2022: Nil)



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

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the number of ordinary shares of 5,780,368,705 (2022: 5,780,368,705) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2023 and 2022 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of the basic loss per share is based on:

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
<b>Loss</b>		
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation		
From continuing operations	(420)	32,368
From a discontinued operation	<u>(36,446)</u>	<u>(33,869)</u>
	<u><b>(36,866)</b></u>	<u><b>(1,501)</b></u>
	<b>2023</b>	2022
<b>Shares</b>		
Number of ordinary shares in issue during the year, used in the basic loss per share calculation	<u><b>5,780,368,705</b></u>	<u><b>5,780,368,705</b></u>

## 11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Prepayments	2,161	1,963
Deposits and other receivables	<u>5,361</u>	<u>4,206</u>
	7,522	6,169
Less: Non-current portion	<u>(546)</u>	<u>(556)</u>
Current portion	<u><u>6,976</u></u>	<u><u>5,613</u></u>

Deposits and other receivables mainly represented building management fee deposits and professional fees paid on behalf of borrowers. Where applicable, an impairment analysis is performed at each reporting date by applying a loss rate approach with reference to the 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 financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 March 2023 and 2022, the loss allowances were assessed to be minimal.

## 12. LOAN AND INTEREST RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loan and interest receivables	827,996	739,077
Less: Provision for impairment losses on loan and interest receivables	<u>(4,573)</u>	<u>(1,779)</u>
Loan and interest receivables, net of provision	823,423	737,298
Less: Non-current portion	<u>(167,711)</u>	<u>(231,469)</u>
Current portion	<u><u>655,712</u></u>	<u><u>505,829</u></u>

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

Except for loan and interest receivables of HK\$14,998,000 (2022: HK\$13,990,000) as at 31 March 2023, 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.

The movements in the provision for impairment losses on loan and interest receivables are as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
At beginning of year	<b>1,779</b>	2,601
Provision for/(reversal of) impairment losses on loan and interest receivables, net ( <i>note 6</i> )	<b>2,794</b>	(498)
Amount written off as uncollectible	—	(324)
	<hr/>	<hr/>
At the end of year	<b>4,573</b>	1,779
	<hr/> <hr/>	<hr/> <hr/>

As at 31 March 2023, loan and interest receivables of HK\$5,331,000 (2022: HK\$2,607,000) were past due. Except for overdue unsecured personal loan and interest receivables of HK\$762,000 (2022: HK\$289,000) with no collateral, the overdue balances of HK\$4,569,000 (2022: HK\$2,318,000) were mortgage loans and were related to a number of third-party customers.

During the year ended 31 March 2023, provision for impairment losses of HK\$2,265,000 (2022: Nil) and HK\$529,000 (2022: a reversal of impairment losses of HK\$498,000) were provided for mortgage loans and unsecured personal loans respectively.

For loan and interest receivables that are not credit-impaired and without a significant increase in credit risk since initial recognition (“Stage 1”), ECLs is measured at an amount equal to the portion of the lifetime ECLs that results from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified (“Stage 2”) but not yet deemed to be credit-impaired, the ECLs is measured based on lifetime ECLs. In general, when loan receivables or their related instalments are overdue by 30 days, there is a significant increase in credit risk. As at 31 March 2023, a provision of HK\$951,000 (2022: HK\$815,000) and HK\$37,000 (2022: HK\$648,000) were made under Stage 1 and Stage 2 respectively based on assessment from the ECLs model.

In general, loan and interest receivables are considered in default when the loan and interest receivables or its related instalments are overdue by 90 days (“Stage 3”). As at 31 March 2023, loan and interest receivables with an aggregate amount of HK\$51,816,000 (2022: HK\$26,402,000) were in default under Stage 3 lifetime ECLs and a provision of HK\$3,585,000 (2022: HK\$316,000) was made.

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:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Current	<b>655,712</b>	505,829
Over 1 year and within 5 years	<b>113,752</b>	185,149
Over 5 years	<b>53,959</b>	46,320
	<u><b>823,423</b></u>	<u>737,298</u>

### 13. TRADE RECEIVABLES

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade receivables	<b>384</b>	8,842
	<u><b>384</b></u>	<u>8,842</u>

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 HK\$10,511,000 (2022: HK\$11,546,000). As at 31 March 2023, the deposit received from a charterer of HK\$7,080,000 (2022: HK\$6,936,000) was reclassified as liabilities directly associated with the assets classified as held for sale (2022: Accruals, other payables and deposits received). Trade receivables of HK\$27,000 (2022: HK\$8,176,000) due from security dealers bear interest at floating rates and trade receivables of HK\$357,000 (2022: HK\$666,000) due from tenants bear interest at a fixed rate on overdue amount.

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

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 1 month	<b>292</b>	8,706
1 to 2 months	<b>46</b>	136
2 to 3 months	<b>46</b>	–
	<u><b>384</b></u>	<u>8,842</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9 which permits the use of the lifetime expected loss provision for all trade receivables. The expected credit loss rate for the Group's trade receivables is minimal for all the above bands of trade receivables.

As at 31 March 2023, the Group did not pledge any trade receivables to secure banking facilities granted. As at 31 March 2022, certain subsidiaries have pledged trade receivables with an aggregate carrying value of HK\$121,000 to secure banking facilities granted.

#### 14. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Accruals	<b>3,040</b>	1,917
Other payables and deposits received	<b>6,549</b>	21,598
	<b>9,589</b>	23,515
Portion classified as non-current liabilities	<b>(1,184)</b>	(1,447)
Current portion	<b>8,405</b>	22,068

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

## **CHAIRMAN'S STATEMENT**

It is my privilege to share with you the annual results of New Century Group Hong Kong Limited (the "Company") and its subsidiaries ("New Century" or the "Group") for the year ended 31 March 2023 (the "Year").

2022/23 has been a trying year characterised by a multitude of external factors beyond our control with the world economy facing unprecedented uncertainties from heightened inflation, banking crisis, ongoing rate hikes by central banks and escalating geopolitical tensions.

### **Tackling Unpredictable Economic Terrain**

Thanks to the strong recovery of inbound tourism and domestic demand, Hong Kong's economy grew 2.7% year-on-year in the first quarter of 2023, leading the uptick in confidence led by pent-up demand for Hong Kong properties. During the Year, the Group's money lending business recorded an increase in revenue of 18.7% to HK\$72,491,000, and the interest income from mortgage loans alone increased 20.4% to HK\$69,384,000.

While there were certainly positive aspects of our performance over the course of the Year, the difficult external environment meant that this did not translate into overall profitability, causing a slight drop of 0.8% in our revenue from continuing operations, from HK\$80,741,000 (Restated) last year to HK\$80,068,000 for the Year.

In particular, the prolonged economic downturn triggered by the COVID-19 outbreak significantly impacted the revenue streams and operational costs of our cruise ship charter services business. After thorough review and deliberations, we regrettably realised that the costs to keep the cruise ship charter services business running became prohibitive, posing a risk to our overall profitability in future. Therefore, on 28 April 2023, the Group entered into an agreement with a third party to dispose of all of its interest in an indirect non-wholly owned subsidiary, which held 100% beneficial ownership in the cruise ship "Aegean Paradise". Following the completion of disposal on 28 April 2023, the Group has ceased the business of cruise ship charter services and will no longer hold any cruise ship.

With downward pressures still weighing on the Hong Kong economy amid uncertainties, we have divested all of our securities investments during the Year to reduce exposure to unpredictable market volatility and maintain our commitment to secure investments bringing in steady cash flows.

We believe, ceasing the cruise ship charter services business and divesting from securities investments represented the most appropriate course of action given the prevailing environment, allowing us to focus on bolstering profitability across core segments and propel us forward strategically.

## **Embracing Change for Long-Term Success**

In recent times, we have seen volatility affecting many industries worldwide. Nonetheless, we view these challenges as an opportunity to refocus efforts and find our ways to adapt to changing circumstances.

Moving forward, we will remain nimble yet prudent to seek emerging opportunities to diversify our income streams and increase operational efficiencies. While short-term profits may fluctuate, we believe that we will achieve sustainable success over the long term by staying true to our core values and mission.

Lastly, I would like to express my heartfelt gratitude to everyone who makes up the fabric of our organisation. From our loyal employees, whose dedication and talent bring our plans to life, to our valued stakeholders, who stand beside us through both triumphs and adversity, you are what set us apart from others and what enable us to grow and succeed now and in the future. So once again, thank you for making our journey a sustainable one.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

#### *Revenue*

The Group's revenue from continuing operations was slightly reduced by 0.8% from HK\$80,741,000 (Restated) last year to HK\$80,068,000 for the Year. The decrease in revenue from continuing operations was mainly attributable to an increase in fair value losses on listed equity investments by HK\$11,907,000 from HK\$1,671,000 last year to HK\$13,578,000 for the Year, which was partially offset by an increase in interest income by HK\$11,431,000 from money lending business from HK\$61,060,000 last year to HK\$72,491,000 for the Year.

#### *Other Income*

Other income amounted to HK\$7,386,000 for the Year (2022: HK\$796,000). The increase in other income was mainly due to (i) an increase in bank interest income from HK\$699,000 last year to HK\$6,044,000 for the Year; (ii) government grants amounting to HK\$911,000 from the Employment Support Scheme under the Anti-epidemic Fund of the Government of the Hong Kong Special Administrative Region (the "Government of the HKSAR") (2022: Nil); and (iii) a government grant of HK\$360,000 from the Technology Voucher Programme under the Innovation and Technology Fund of the Government of the HKSAR (2022: Nil).

#### *Administrative and Operating Expenses*

The administrative and operating expenses mainly comprised of (i) employee benefit expense (including directors' remuneration); (ii) depreciation of property, plant and equipment; (iii) advertising and promotion expenses; (iv) auditor's remuneration; (v) building management fee; (vi) government rent and rate; and (vii) other administrative expenses.

Administrative and operating expenses of HK\$44,104,000 were incurred by the Group for the Year, which increased by 5.3% as compared to HK\$41,865,000 (Restated) last year. The increase in administrative and operating expenses was mainly due to an increase in employee benefit expense (including directors' remuneration) by 6.4% from HK\$19,456,000 last year to HK\$20,704,000 for the Year and an increase in advertising and promotion expenses by 30.8% from HK\$4,203,000 last year to HK\$5,499,000 for the Year.

#### *Gain on Disposal of a Non-current Asset Held for Sale*

In the previous year, the cruise ship "Leisure World", under cruise ship charter services business, was disposed of at a consideration of approximately US\$3,592,000 (equivalent to approximately HK\$27,909,000) on 25 May 2021. A gain on disposal of HK\$714,000 was recorded and the Group's share of relevant aggregate revaluation surplus realised of HK\$4,730,000 included in the asset revaluation reserve was transferred to retained profits in the same year.

#### *Fair Value Gains/(Losses) on Investment Properties, Net*

The Group recorded fair value losses on investment properties of HK\$12,292,000 in property investment business for the Year (2022: fair value gains of HK\$15,502,000), which was the net effect of the fair value gains of HK\$8,008,000 (2022: HK\$15,002,000) on the investment properties in Singapore and the fair value losses of HK\$20,300,000 (2022: fair value gains of HK\$500,000) on the investment properties in Hong Kong.

#### *Reversal of/(Provision for) Impairment Losses on Loan and Interest Receivables, Net*

The impairment losses represented the expected credit losses ("ECLs") on loan and interest receivables in money lending business. The measurement of ECLs is based on probability of default, loss given default (i.e. the magnitude of the loss if there is a default), historical delinquency ratio of loan and interest receivables, collateral values, economic indicators on forward-looking information and adjusted for factors that are specific to the debtors.

The Group recognised a net provision for impairment losses of HK\$2,794,000 on loan and interest receivables for the Year (2022: a net reversal of impairment losses of HK\$498,000).



Below is the breakdown of reversal of/(provision for) impairment losses on loans and interest receivables, net, incurred from mortgage loans and unsecured personal loans for the years ended 31 March 2023 and 2022:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Mortgage loans	<b>(2,265)</b>	–
Unsecured personal loans	<b>(529)</b>	498
	<b>(2,794)</b>	498

*Reversal of/(Provision for) Impairment Losses on Repossessed Assets*

The Group recorded a provision of HK\$1,941,000 for impairment losses on repossessed assets of mortgage loans in money lending business for the Year (2022: a reversal of overprovision of HK\$11,000).

*Loss for the Year from a Discontinued Operation*

Subsequent to the reporting period, the cruise ship “Aegean Paradise” was disposed of on 28 April 2023. Since the Group decided to discontinue the business of cruise ship charter services in March 2023 and will not hold any cruise ship after the disposal of “Aegean Paradise”, the cruise ship charter services segment has been classified as a discontinued operation as at 31 March 2023. The Group recorded a loss of HK\$60,743,000 from the discontinued operation for the Year (2022: HK\$56,449,000). Increase in loss was mainly due to an increase in deficit on revaluation of the cruise ship “Aegean Paradise” by HK\$23,579,000 to HK\$35,580,000 for the Year (2022: HK\$12,001,000), which was partially offset by (i) cruise ship charter service income of HK\$2,746,000 for the Year (2022: Nil) and (ii) a decrease in special subsidies paid to the charterer of the cruise ships by HK\$15,617,000 to HK\$20,809,000 for the Year (2022: HK\$36,426,000).

*Loss Attributable to Owners of the Company*

The Group recorded a loss attributable to owners of the Company of HK\$36,866,000 for the Year (2022: HK\$1,501,000). Such significant increase in loss was mainly attributable to (i) fair value losses on investment properties of HK\$12,292,000 (2022: fair value gains of HK\$15,502,000) in property investment business; (ii) an increase in fair value losses on listed equity investments by HK\$11,907,000 to HK\$13,578,000 for the Year (2022: HK\$1,671,000) in securities trading business; and (iii) an increase in loss by HK\$4,294,000 to HK\$60,743,000 for the Year (2022: HK\$56,449,000) in cruise ship charter services business (the discontinued operation). The loss was partially offset by (i) an increase in interest income from money lending business by HK\$11,431,000 to HK\$72,491,000 for the Year (2022: HK\$61,060,000) and (ii) an increase in bank interest income by HK\$5,345,000 to HK\$6,044,000 for the Year (2022: HK\$699,000).

## **Continuing Operations**

### *Money Lending*

The Group focuses on the provision of mortgage loans which are secured by first legal charge against real estates located in Hong Kong, including residential, commercial, industrial properties, village houses and car parking spaces, to individuals or corporations. During the Year, the Group had granted mortgage loans to individuals or corporations with principal amounts ranging from HK\$130,000 to HK\$49,000,000 (2022: HK\$400,000 to HK\$66,200,000) at interest rates ranging from 8.0% to 13.5% per annum (2022: 8.0% to 12.5% per annum) with the maturity profiles from 12 to 240 months (2022: 12 to 240 months).

The Group also provides a small portion of unsecured personal loans to individuals who are mainly owners of real estate assets under the Home Ownership Scheme and the Tenant Purchase Scheme as well as private residential properties. During the Year, the Group had granted unsecured personal loans to individuals with principal amounts ranging from HK\$300,000 to HK\$1,200,000 (2022: HK\$200,000 to HK\$1,000,000) at the interest rates ranging from 18.0% to 21.0% per annum (2022: 18.0% to 24.0% per annum) with the maturity profiles from 36 to 120 months (2022: 48 to 120 months).

As at 31 March 2023, the Group had loan and interest receivables of HK\$823,423,000, representing an increase of 11.7% as compared with HK\$737,298,000 as at 31 March 2022. Among of which, there were 115 mortgage loan customers (2022: 118 customers) with loan and interest receivables of HK\$810,733,000 (2022: HK\$725,087,000) and 28 unsecured personal loan customers (2022: 32 customers) with loan and interest receivables of HK\$12,690,000 (2022: HK\$12,211,000), representing 98.5% (2022: 98.3%) and 1.5% (2022: 1.7%) respectively.

In terms of the Group's loan and interest receivables of HK\$823,423,000 as at 31 March 2023 (2022: HK\$737,298,000), the loan and interest receivables from the largest customer and the five largest customers accounted for 8.1% (2022: 9.0%) and 26.0% (2022: 24.1%) respectively.

The Group recorded an increase of 18.7% in interest income from money lending business to HK\$72,491,000 for the Year, as compared to HK\$61,060,000 last year. The increase was due to the increase in interest income from mortgage loans by 20.4% from HK\$57,618,000 last year to HK\$69,384,000 for the Year, which was partially offset by the decrease in interest income from unsecured personal loans by 9.7% from HK\$3,442,000 last year to HK\$3,107,000 for the Year. The increase in interest income from mortgage loans was primarily due to an increase in average balance of mortgage loan receivables. The decrease in interest income from unsecured personal loans was due to a decrease in average balance of unsecured personal loan receivables.

At the end of the reporting period, the Group engaged an independent professional valuer to assess the provision for impairment losses on loan and interest receivables under the ECLs model of Hong Kong Financial Reporting Standard 9 *Financial Instruments*. As there was decrease in the fair value of the mortgaged properties due to the weakening property market in Hong Kong and an increase in unsecured personal loans classified under stage 3 (credit-impaired), the Group recorded a net provision for impairment losses of HK\$2,265,000 (2022: Nil) and HK\$529,000 (2022: net reversal of impairment losses of HK\$498,000) on mortgaged loans and unsecured personal loans during the Year, respectively.

The money lending segment recorded an increase in profit by 11.7% to HK\$54,730,000 for the Year (2022: HK\$49,005,000).

#### *Property Investment*

The Group's segment revenue from property investment reduced by 4.6% to HK\$15,530,000 (2022: HK\$16,275,000), which comprised of HK\$13,256,000 (2022: HK\$14,418,000) from investment properties in Hong Kong and HK\$2,274,000 (2022: HK\$1,857,000) from investment properties in Singapore.

The decrease in rental income by HK\$1,162,000 from Hong Kong investment properties was mainly due to (i) lower rental rates to subsequent new individual tenants after the expiry of the tenancy agreement in June 2022 with the largest tenant of various shop units at Kwai Chung Plaza, Kwai Chung and (ii) a decrease in rental rate to the tenant of an office unit at Katherine House, Tsim Sha Tsui effective upon renewal of tenancy agreement in April 2022. The effect was partially offset by an increase in rental income resulting from shorter period of temporary rental reduction granted to the tenant of a shop unit at Chi Fu Building, Mongkok as compared to that of last year.

Resulting from the increase in rental rates charged to tenants of certain conservation shophouses upon the renewal of tenancy agreements, the Group recorded an increase in rental income by HK\$417,000 from Singapore investment properties.

At the end of the reporting period, investment properties were revalued at fair value. Net fair value losses of HK\$12,292,000 on investment properties were recorded for the Year (2022: fair value gains of HK\$15,502,000). The investment properties in Hong Kong recorded fair value losses of HK\$20,300,000 for the Year (2022: fair value gains of HK\$500,000) while fair value gains of HK\$8,008,000 were recorded for the investment properties in Singapore for the Year (2022: HK\$15,002,000).

As a result, the property investment segment recorded a turnaround from a profit of HK\$28,284,000 last year to a loss of HK\$389,000 for the Year.

For the Year, the Group's investment properties achieved an average occupancy rate of 99.5% (2022: 98.8%) with an average annual rental yield of 2.8% (2022: 3.0%).

### *Securities Trading*

The Group's portfolio of securities consisted of the blue chips in the Hong Kong stock market. During the Year, all securities were disposed of in December 2022 and there was no further transaction of purchase or sale of securities afterwards. As at 31 March 2023, the Group did not hold any securities (2022: HK\$80,075,000).

The securities trading segment recorded a loss of HK\$7,963,000 for the Year (2022: a profit of HK\$3,385,000) which was mainly attributable to the fair value losses of HK\$13,578,000 (2022: HK\$1,671,000) on equity investments at fair value through profit or loss, netting off the dividend income of HK\$5,625,000 (2022: HK\$5,077,000) from equity investment at fair value through profit or loss.

### **Discontinued Operation**

#### *Cruise Ship Charter Services*

Despite the sailing of the cruise ship "Aegean Paradise" resumed on 22 January 2022, there were only 24 days with at least 960 persons (including crew staff and passengers) onboarded and generated charter service income of HK\$2,746,000 during the Year (2022: Nil). Simultaneously, the Group was required to pay special subsidies of HK\$20,809,000 to the charterer for the Year (2022: HK\$36,426,000) for routine maintenance of the cruise ship in accordance with the charter agreement.

During the Year, the cruise ship "Aegean Paradise" went into dry dock and capital expenditure of HK\$7,366,000 was incurred (2022: Nil).

At the end of the reporting period, the Group engaged an independent professional valuer to perform the valuation of the cruise ship. Revaluation deficit of HK\$35,580,000 was recognised for the Year (2022: HK\$12,001,000).

Due to an increase in the revaluation deficit of the cruise ship which was partly offset by the decrease in special subsidies paid to the charterer, the cruise ship charter services business recorded an increase in loss by 7.6% from HK\$56,449,000 last year to HK\$60,743,000 for the Year.

After carefully considering its long-term prospect and continuing expenses, the Board decided to discontinue the cruise ship charter services business in March 2023 and entered into an agreement with an independent third party on 28 April 2023 to dispose of all of its equity and beneficial interest in an indirect non-wholly owned subsidiary, which is solely engaged in cruise ship charter services with the principal asset of the cruise ship "Aegean Paradise". Completion of the disposal took place immediately after the execution of the agreement and the Group will no longer hold any cruise ship. By doing so, the Group can generate operating funds through the disposal and allocate resources more effectively towards other potentially profitable activities.

### **Contingent Liabilities**

As at 31 March 2023, the Company had outstanding guarantee of HK\$70,000,000 (2022: HK\$130,000,000) given to a bank to secure general credit facility for a subsidiary. No credit facility was utilised by that subsidiary from such guarantee at the end of the reporting period (2022: Nil).

### **Pledge of Assets**

As at 31 March 2023, the Group's self-occupied office units and a car park at Shun Tak Centre with an aggregate net book value of HK\$113,378,000 (2022: HK\$118,075,000) were pledged to a bank for a loan facility worth HK\$70,000,000 (2022: HK\$70,000,000) granted to the Group. As at 31 March 2022, investment properties at Kwai Chung Plaza with fair value of HK\$183,000,000, securities with fair value of HK\$80,075,000 and rental receivables with carrying amount of HK\$121,000 were pledged to banks and securities dealers for aggregate loan facilities of HK\$101,610,000 granted to the Group.

As at 31 March 2023, the Group did not use any loan facility (2022: Nil).

### **Liquidity and Financial Resources**

The Group maintained a sound financial condition. As at 31 March 2023, the Group had net current assets of HK\$1,060,608,000 (2022: HK\$921,104,000) and equity attributable to owners of the Company worth HK\$1,548,147,000 (2022: HK\$1,579,704,000).

As at 31 March 2023, the aggregate cash and cash equivalents of the Group (including cash at bank of HK\$17,000 of a disposal group classified as held for sale) were approximately HK\$456,027,000 (2022: HK\$401,548,000), which were held predominately in Hong Kong dollar, Singapore dollar and United States dollar.

A loan advanced from a non-controlling shareholder of the Group's subsidiary as at 31 March 2023 was approximately HK\$71,823,000 (2022: HK\$71,823,000). The loan was denominated in United States dollar, which was unsecured, interest-free and repayable on demand.

As at 31 March 2023, the Group had an amount due to a non-controlling shareholder of the Group's subsidiary of approximately HK\$7,598,000 (2022: Nil) included in liabilities directly associated with the assets classified as held for sale. The amount was denominated in Singapore dollar, which was unsecured, interest-free and repayable on demand.

As at 31 March 2023, the Group had an amount due to an intermediate holding company of HK\$80,000,000 (2022: HK\$40,000,000) which was unsecured, interest-free and repayable on demand.

Stringent cost control measures have already been in place to monitor the day-to-day operational and administrative expenses. The management will continue to closely review the Group's financial resources in a cautious manner and explore opportunities in potential financial institutions financing and equity funding. Taking into consideration the Group's current financial resources, the directors believe that the Group will have adequate fund for its continuing operations and development.

## **Gearing Ratio**

The Group's gearing ratio, calculated as total indebtedness divided by equity attributable to owners of the Company, was 9.8% as at 31 March 2023 (2022: 7.1%). Total indebtedness represents a loan advanced from a non-controlling shareholder of the Group's subsidiary, amount due to an intermediate holding company and lease liabilities.

## **Capital Expenditure**

Capital expenditure of HK\$7,366,000 (2022: Nil) and HK\$52,000 (2022: HK\$296,000) were incurred for dry docking of the cruise ship "Aegean Paradise" and office equipment, respectively, during the Year.

## **Principal Risks and Uncertainties**

### *Equity Price Risk*

The Group is exposed to equity price risk through its investments in securities, which are listed on the stock exchange of Hong Kong and are valued at quoted market prices at the end of the reporting period. The management manages this exposure by monitoring the price movements and the changes in market conditions that may affect the value of the securities and will consider taking appropriate actions to minimise the risk.

### *Foreign Currency Risk*

Most of the Group's revenue and costs were denominated in Hong Kong dollar and Singapore dollar. The Group's cash and cash equivalents were held predominately in Hong Kong dollar, Singapore dollar and United States dollar. A loan advanced from a non-controlling shareholder of the Group's subsidiary was denominated in United States dollar. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should that need arise.

### *Credit Risk*

The Group mainly focuses on entering into loan and/or lease transactions with high quality customers and obtaining sufficient collaterals and/or deposits as a means of mitigating the risk of financial loss from defaults. Before entering into the transactions, the Group will conduct due diligence, including but not limited to, the identity checking, credit report and legal search on the customers, together with land search and latest valuation on the mortgaged properties (if applicable).

The Group has loan committees of different levels comprising directors and senior management to approve and grant different loan products with various loan-to-value ratios and loan amount requirements. The Group continues to monitor the property market and the collateral value of the underlying mortgage loan portfolio on an ongoing basis and will take appropriate risk response. Through the audit committee of the Company, the Group has conducted a review on the internal control system and identified no significant areas of concern which could affect the operation of the money lending business.



The Group will consider taking legal actions, when necessary, as a means to recover the debts in default. In addition, the Group reviews the recovery of each individual debt, including but not limited to, rental receivables, mortgage loan and interest receivables and unsecured personal loan and interest receivables at the end of each reporting period to ensure that adequate impairment losses are provided for irrecoverable amounts. In the opinion of the directors, the Group's internal control system was effective and adequate.

### **Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Associates**

The Group did not have any significant investments held and did not conduct any material acquisitions and disposals of subsidiaries and associates during the Year.

#### *Share Option Scheme*

A share option scheme was approved and adopted by the shareholders of the Company at the annual general meeting of the Company held on 4 September 2012 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Participants are any directors (including executive directors, non-executive directors and independent non-executive directors) of the Company and employees of the Group and any advisors (professional or otherwise), consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

The Share Option Scheme expired on 3 September 2022. No further share options shall thereafter be offered under the Share Option Scheme but the share options which had been granted is still valid, unless otherwise lapse or expiry of the share options.

During the Year, 16,600,000 share options had lapsed under the Share Option Scheme. An aggregate amount of HK\$794,000 was transferred from the share option reserve to retained profits upon lapse of the share options.

As at 31 March 2023, the Company had 116,200,000 outstanding share options under the Share Option Scheme. Should they be fully exercised, the Company will receive additional share capital of HK\$291,000 and share premium of HK\$22,579,000 (before issue expenses). The total of 116,200,000 share options outstanding under the Share Option Scheme, representing approximately 2.0% of the total issued shares of the Company as at 31 March 2023.

## **Employees and Remuneration**

As at 31 March 2023, the Group had a total of 31 staff (2022: 31 staff), including executive directors but excluding independent non-executive directors. The employee benefit expense (including directors' emoluments) was HK\$20,704,000 for the Year (2022: HK\$19,456,000). Remuneration packages for employees and directors are periodically reviewed according to market conditions as well as individual's and the Group's performance. Benefits plans maintained by the Group include salary increment, mandatory provident fund scheme, medical insurance, share option scheme and discretionary bonuses.

## **Event after the Reporting Period**

### *Disposal of Kingston Maritime Limited ("KML")*

On 28 April 2023, 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 Share") of KML and the shareholder's loan (the "Sale Loan") owed by KML to the vendor at a consideration of S\$7,650,000 (equivalent to approximately HK\$44,982,000). KML was solely engaged in cruise ship charter service and the principal asset of which was the cruise ship "Aegean Paradise". It is expected that the Group will record a gain from the disposal of approximately HK\$9,834,000. The disposal of the Sale Share and the Sale Loan constituted a disclosable transaction and was subject to the reporting and announcement requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For details of the disposal, please refer to the Company's announcement dated 28 April 2023.

Following the disposal on 28 April 2023, the Group did not hold any equity and beneficial interest in KML.

Since the Group decided to discontinue the business of cruise ship charter services in March 2023 and will not hold any cruise ship after the completion of disposal of the cruise ship "Aegean Paradise" on 28 April 2023, the cruise ship charter services segment has been classified as a discontinued operation as at 31 March 2023.

## **Closure of Register of Members**

The annual general meeting of the Company is scheduled on Tuesday, 19 September 2023 (the "Annual General Meeting"). For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 14 September 2023 to Tuesday, 19 September 2023, both days inclusive, during which period, no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 13 September 2023.



## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

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

## **CORPORATE GOVERNANCE**

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2023.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code during the year.

## **AUDIT COMMITTEE**

The Company's audit committee comprises four independent non-executive directors, namely, Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth, Mr. Ho Yau Ming and Mr. Wong Steve Cheuk Hung. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2023 including the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters.

By order of the Board  
**New Century Group Hong Kong Limited**  
**Ng Wee Keat**  
*Chairman*

Hong Kong, 27 June 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, Mr. Yu Wai Man and Ms. Huang Si Teng as executive directors and Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth, Mr. Ho Yau Ming and Mr. Wong Steve Cheuk Hung as independent non-executive directors.*