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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)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 MARCH 2024

The board of directors (the “Board”) of New Century Group Hong Kong Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2024 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
CONTINUING OPERATIONS			
REVENUE	5	88,291	80,068
Other income	5	15,434	7,386
Administrative and operating expenses		(46,731)	(44,104)
Foreign exchange differences, net		(547)	28
Loss on deregistration of a subsidiary		–	(270)
Fair value gains/(losses) on investment properties, net		10,149	(12,292)
Finance costs		(1)	(4)
Provision for impairment losses on loan and interest receivables, net	12	(12,405)	(2,794)
Provision for impairment losses on repossessed assets, net		(25,559)	(1,941)

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)*Year ended 31 March 2024*

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	28,631	26,077
Income tax expense	7	<u>(2,943)</u>	<u>(9,222)</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		25,688	16,855
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	8	(531)	(60,743)
Gain on disposal of a subsidiary	13	<u>9,834</u>	<u>–</u>
PROFIT/(LOSS) FOR THE YEAR		<u>34,991</u>	<u>(43,888)</u>
Attributable to:			
Owners of the Company		22,413	(36,866)
Non-controlling interests		<u>12,578</u>	<u>(7,022)</u>
		<u>34,991</u>	<u>(43,888)</u>
EARNINGS/(LOSS) PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
Basic			
– For profit/(loss) for the year		<u>HK0.39 cent</u>	<u>HK(0.64) cent</u>
– For profit/(loss) from continuing operations		<u>HK0.29 cent</u>	<u>HK(0.01) cent</u>
Diluted			
– For profit/(loss) for the year		<u>HK0.39 cent</u>	<u>HK(0.64) cent</u>
– For profit/(loss) from continuing operations		<u>HK0.29 cent</u>	<u>HK(0.01) cent</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
PROFIT/(LOSS) FOR THE YEAR		34,991	(43,888)
OTHER COMPREHENSIVE INCOME/ (LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		(3,415)	4,393
Reclassification adjustment for a foreign operation disposed of during the year	13	(9,487)	–
Release of exchange reserve upon deregistration of a subsidiary		–	270
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		<u>(12,902)</u>	<u>4,663</u>
Other comprehensive income 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>362</u>	<u>945</u>
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX		<u>(12,540)</u>	<u>5,608</u>
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		<u>22,451</u>	<u>(38,280)</u>
Attributable to:			
Owners of the Company		<u>13,729</u>	(31,557)
Non-controlling interests		<u>8,722</u>	(6,723)
		<u>22,451</u>	<u>(38,280)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		113,429	118,900
Investment properties		555,300	547,700
Equity investment designated at fair value through other comprehensive income		3,347	2,985
Prepayments and other receivables		445	546
Loan receivables	12	81,904	167,711
Deferred tax assets		2,002	–
		<hr/>	<hr/>
Total non-current assets		756,427	837,842
CURRENT ASSETS			
Lease receivables	11	1,242	357
Amounts due from security brokers		9,341	27
Loan and interest receivables	12	642,612	655,712
Prepayments, deposits and other receivables		8,757	6,976
Repossessed assets		80,982	58,133
Equity investments at fair value through profit or loss		15,375	–
Tax recoverable		3,200	–
Cash and cash equivalents		518,251	456,010
		<hr/>	<hr/>
		1,279,760	1,177,215
Assets of a disposal group classified as held for sale	8	–	66,317
		<hr/>	<hr/>
Total current assets		1,279,760	1,243,532
CURRENT LIABILITIES			
Accruals, other payables and deposits received		10,425	8,405
Lease liabilities		–	72
Tax payable		279	1,291
Due to the intermediate holding company		80,000	80,000
Loan advanced from a non-controlling shareholder of the Group's subsidiary		24,087	71,823
		<hr/>	<hr/>
		114,791	161,591
Liabilities directly associated with the assets classified as held for sale	8	–	21,333
		<hr/>	<hr/>
Total current liabilities		114,791	182,924

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*31 March 2024*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NET CURRENT ASSETS	<u>1,164,969</u>	<u>1,060,608</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,921,396</u>	<u>1,898,450</u>
NON-CURRENT LIABILITIES		
Deposits received	2,620	1,184
Deferred tax liabilities	<u>16,851</u>	<u>17,792</u>
Total non-current liabilities	<u>19,471</u>	<u>18,976</u>
Net assets	<u><u>1,901,925</u></u>	<u><u>1,879,474</u></u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	14,451	14,451
Reserves	<u>1,547,425</u>	<u>1,533,696</u>
	1,561,876	1,548,147
Non-controlling interests	<u>340,049</u>	<u>331,327</u>
Total equity	<u><u>1,901,925</u></u>	<u><u>1,879,474</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, property investment, securities trading and cruise ship charter services. In March 2023, the directors decided to dispose of Kingston Maritime Limited (“KML”), an indirect non-wholly owned subsidiary of the Company, which was solely engaged in cruise ship charter services. Upon completion of the disposal on 28 April 2023, the Group had discontinued its cruise ship charter services business.

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

2. 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, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for 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 2024. 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 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 the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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 new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

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

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments had no material impact on the Group's financial statements.

- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to 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, 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, deferred tax assets 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	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Segment revenue								
Revenue from external customers	72,744	72,491	15,288	15,530	259	(7,953)	88,291	80,068
Intersegment sales	–	–	2,520	3,071	–	–	2,520	3,071
Other income	238	817	139	24	65	4	442	845
Total segment revenue and other income	72,982	73,308	17,947	18,625	324	(7,949)	91,253	83,984
<i>Reconciliation:</i>								
Elimination of intersegment sales							(2,520)	(3,071)
Total revenue and other income from continuing operations							88,733	80,913
Segment results	20,766	54,730	21,644	(389)	315	(7,963)	42,725	46,378
<i>Reconciliation:</i>								
Bank interest income							14,982	6,044
Loss on deregistration of a subsidiary							–	(270)
Corporate and other unallocated income							10	497
Corporate and other unallocated expenses							(29,086)	(26,572)
Profit before tax from continuing operations							28,631	26,077
Segment assets	811,751	886,613	557,517	548,849	24,716	125	1,393,984	1,435,587
<i>Reconciliation:</i>								
Corporate and other unallocated assets							642,203	579,470
Assets related to a discontinued operation							–	66,317
Total assets							2,036,187	2,081,374
Segment liabilities	6,001	3,469	4,457	3,558	–	–	10,458	7,027
<i>Reconciliation:</i>								
Corporate and other unallocated liabilities							123,804	173,540
Liabilities related to a discontinued operation							–	21,333
Total liabilities							134,262	201,900
Other segment information:								
Depreciation	247	246	–	–	–	–	247	246
Fair value losses/(gains) on investment properties, net	–	–	(10,149)	12,292	–	–	(10,149)	12,292
Fair value losses/(gains) on equity investments at fair value through profit or loss, net	–	–	–	–	(74)	13,578	(74)	13,578
Provision for impairment losses on loan and interest receivables, net	12,405	2,794	–	–	–	–	12,405	2,794
Provision for impairment losses on repossessed assets, net	25,559	1,941	–	–	–	–	25,559	1,941
Capital expenditure*	28	46	531	–	–	–	559	46

* Capital expenditure consists of additions to office equipment and investment properties.

Geographical information

(a) Revenue from external customers and other income

	2024	2023
	HK\$'000	HK\$'000
Hong Kong	86,120	78,640
Southeast Asia except Hong Kong	2,613	2,273
	<hr/>	<hr/>
Total revenue and other income	88,733	80,913
	<hr/> <hr/>	<hr/> <hr/>

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

(b) Non-current assets

	2024	2023
	HK\$'000	HK\$'000
Hong Kong	553,878	657,857
Southeast Asia except Hong Kong	197,200	177,000
	<hr/>	<hr/>
Total non-current assets	751,078	834,857
	<hr/> <hr/>	<hr/> <hr/>

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 and deferred tax assets.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue		
Interest income from mortgage loans and unsecured personal loans	72,744	72,491
Gross rental income from investment properties	15,288	15,530
Fair value gains/(losses) on equity investments at fair value through profit or loss, net	74	(13,578)
Dividend income from equity investments at fair value through profit or loss	185	5,625
	<u>88,291</u>	<u>80,068</u>
Other income		
Bank interest income	14,982	6,044
Government grants (<i>Note</i>)	–	1,271
Others	452	71
	<u>15,434</u>	<u>7,386</u>

Note:

Balance represented 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>	2024 HK\$'000	2023 HK\$'000
Depreciation		5,573	5,897
Auditor's remuneration:			
Audit services		1,900	1,850
Non-audit services		470	438
		<u>2,370</u>	<u>2,288</u>
Total		<u>2,370</u>	<u>2,288</u>
Employee benefit expense (including directors' remuneration):			
Salaries and allowances		21,629	19,968
Pension scheme contributions*		1,034	736
		<u>22,663</u>	<u>20,704</u>
Total		<u>22,663</u>	<u>20,704</u>
Lease payments not included in the measurement of lease liabilities		504	541
Foreign exchange differences, net		547	(28)
Loss on deregistration of a subsidiary		–	270
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		3,334	3,093
Fair value losses/(gains) on investment properties, net		(10,149)	12,292
Provision for impairment losses on loan and interest receivables, net	12	12,405	2,794
Provision for impairment losses on repossessed assets, net		<u>25,559</u>	<u>1,941</u>

* 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% (2023: 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 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	5,606	8,799
Current – Elsewhere		
Charge for the year	280	219
Overprovision in prior years	–	(19)
Deferred	(2,943)	223
	<u>2,943</u>	<u>9,222</u>
Total tax charge for the year from continuing operations	<u>2,943</u>	<u>9,222</u>

8. DISCONTINUED OPERATION

In March 2023, the directors decided to cease its cruise ship charter services business and dispose of KML, an indirect non-wholly owned subsidiary of the Company, which was solely engaged in cruise ship charter services. Upon completion of the disposal of KML on 28 April 2023, the Group had discontinued its cruise ship charter services business. As at 31 March 2023, 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”) and was no longer included as an operating segment in the prior year.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	705	2,746
Cost of services provided	–	(7,084)
	<u>705</u>	<u>(4,338)</u>
Gross profit	705	(4,338)
Administrative and operating expenses	(1,236)	(20,824)
Foreign exchange differences, net	–	(1)
Deficit on revaluation of a cruise ship	–	(35,580)
	<u>(531)</u>	<u>(60,743)</u>
Loss for the year from the Discontinued Operation	(531)	(60,743)
Gain on disposal of a subsidiary (<i>note 13</i>)	9,834	–
	<u>9,303</u>	<u>(60,743)</u>
Attributable to:		
Owners of the Company	5,442	(36,446)
Non-controlling interest	3,861	(24,297)
	<u>9,303</u>	<u>(60,743)</u>

As at 31 March 2023, amounts recognised in other comprehensive income and accumulated in equity relating to a disposal group classified as held for sale included in exchange translation reserve of HK\$5,784,000 and non-controlling interests of HK\$3,855,000, respectively.

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

	2024	2023
	HK\$'000	HK\$'000
<i>Assets</i>		
Property, plant and equipment	–	66,300
Cash at bank	–	17
	<u>–</u>	<u>17</u>
Assets classified as held for sale	<u>–</u>	<u>66,317</u>
<i>Liabilities</i>		
Accruals and other payables (<i>Note</i>)	–	(14,253)
Deposit received	–	(7,080)
	<u>–</u>	<u>(7,080)</u>
Liabilities directly associated with the assets classified as held for sale	<u>–</u>	<u>(21,333)</u>
Net assets directly associated with the disposal group	<u>–</u>	<u>44,984</u>

Note:

Included in accruals and other payables as at 31 March 2023 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.

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

	2024	2023
	HK\$'000	HK\$'000
Operating activities	(23)	7,371
Investing activities	–	(7,366)
Financing activities	–	(90)
	<u>–</u>	<u>(90)</u>
Net cash outflow	<u>(23)</u>	<u>(85)</u>
	2024	2023
Earnings/(loss) per share:		
Basic, from the Discontinued Operation	HK0.09 cent	HK(0.63) cent
Diluted, from the Discontinued Operation	HK0.09 cent	HK(0.63) cent
	<u>HK0.09 cent</u>	<u>HK(0.63) cent</u>

The calculations of basic and diluted earnings/(loss) per share from the Discontinued Operation are based on:

	2024	2023
Profit/(loss) attributable to ordinary equity holders of the Company from the Discontinued Operation	HK\$5,442,000	HK\$(36,446,000)
Number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation (<i>note 10</i>)	5,780,368,705	5,780,368,705
Number of ordinary shares in issue during the year used in the diluted earnings/(loss) per share calculation (<i>note 10</i>)	5,780,368,705	5,780,368,705

9. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 March 2024 (2023: Nil).

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

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, and the number of ordinary shares of 5,780,368,705 (2023: 5,780,368,705) in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 March 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

The calculation of the basic earnings/(loss) per share is based on:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation:		
From continuing operations	16,971	(420)
From the Discontinued Operation	5,442	(36,446)
	<hr/>	<hr/>
Total	22,413	(36,866)
	<hr/> <hr/>	<hr/> <hr/>
	2024	2023
Shares		
Number of ordinary shares in issue during the year, used in the basic earnings/(loss) per share calculation	5,780,368,705	5,780,368,705
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11. LEASE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Lease receivables	1,242	357

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 of HK\$4,021,000 (2023: HK\$3,431,000). As at 31 March 2023, the Group also held the deposit received from a charterer as security of HK\$7,080,000, which was reclassified as liabilities directly associated with the assets classified as held for sale. Lease receivables were due from tenants and bear interest at a fixed rate on the overdue amount.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	273	265
1 to 2 months	273	46
2 to 3 months	272	46
Over 3 months	424	–
Total	1,242	357

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, lease 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 lease receivables. The expected credit loss rate for the Group's lease receivables is minimal for all the above bands of lease receivables.

As at 31 March 2024, the Group did not pledge any lease receivables to secure banking facilities granted (2023: Nil).

12. LOAN AND INTEREST RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loan and interest receivables	741,494	827,996
Less: Provision for impairment losses on loan and interest receivables	<u>(16,978)</u>	<u>(4,573)</u>
Loan and interest receivables, net of provision	724,516	823,423
Less: Non-current portion	<u>(81,904)</u>	<u>(167,711)</u>
Current portion	<u>642,612</u>	<u>655,712</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\$11,577,000 (2023: HK\$14,998,000) as at 31 March 2024, 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of year	4,573	1,779
Provision for impairment losses on loan and interest receivables, net (<i>note 6</i>)	<u>12,405</u>	<u>2,794</u>
At the end of year	<u>16,978</u>	<u>4,573</u>

As at 31 March 2024, loan and interest receivables of HK\$6,622,000 (2023: HK\$5,331,000) were past due. Except for overdue unsecured personal loan and interest receivables of HK\$811,000 (2023: HK\$762,000) with no collateral, the overdue balances of HK\$5,811,000 (2023: HK\$4,569,000) were mortgage loans and were related to a number of third-party customers.

During the year ended 31 March 2024, provision for impairment losses of HK\$12,623,000 (2023: HK\$2,265,000) and a reversal of impairment loss of HK\$218,000 (2023: provision for impairment losses of HK\$529,000) 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”), expected credit loss (“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 2024, a provision of HK\$985,000 (2023: HK\$951,000) and HK\$2,169,000 (2023: HK\$37,000) 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 2024, loan and interest receivables with an aggregate amount of HK\$95,787,000 (2023: HK\$51,816,000) were in default under Stage 3 lifetime ECLs and a provision of HK\$13,824,000 (2023: HK\$3,585,000) 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:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	642,612	655,712
Over 1 year and within 5 years	37,684	113,752
Over 5 years	44,220	53,959
	<u>724,516</u>	<u>823,423</u>

13. DISPOSAL OF A SUBSIDIARY

	2024 HK\$'000
Net assets disposed of:	
Property, plant and equipment	66,075
Accruals and other payables (<i>Note</i>)	(21,790)
	<hr/>
	44,285
Exchange translation reserve	(9,487)
Disposal expenses incurred	350
Gain on disposal of a subsidiary (<i>note 8</i>)	9,834
	<hr/>
Total consideration	44,982
	<hr/> <hr/>
Satisfied by:	
Cash	44,982
	<hr/> <hr/>

Note:

Included in accruals and other payables as at 28 April 2023 was an amount due to a non-controlling shareholder of the Group's subsidiary, New Century Cruise Line International Limited, of approximately HK\$7,572,000.

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	2024 HK\$'000
Cash consideration	44,982
Disposal expenses incurred	(350)
	<hr/>
	44,632
	<hr/> <hr/>

CHAIRMAN’S STATEMENT

I am pleased to present the annual report for New Century Group Hong Kong Limited (the “Company”) and its subsidiaries (“New Century” or the “Group”), providing an overview of our performance for the year ended 31 March 2024 (the “Year”). Looking back, it is with mixed sentiments as we have encountered both successes and challenges in the past year.

Achievement Under Pressure

Arising from a combination of geopolitical tensions, tight financial conditions and shifting consumption patterns, Hong Kong’s economy has faced significant hurdles in recent years, resulting in the economic slowdown and the persistent sluggishness of the residential property market and leading to a surge in the number of residential mortgage loans in negative equity, quadrupling from 6,379 a year earlier to 32,073 in the first quarter of 2024, the highest since the first quarter of 2004. Compounded by high interest rates and increasing housing supply, these adverse market conditions necessitated recognising provision for impairment losses of HK\$12,623,000 on loan and interest receivables for our mortgage loans and HK\$25,559,000 on our repossessed assets respectively.

During the Year, the Hong Kong properties were inevitably affected by the challenging economic landscape. Fortunately, our proactive leasing strategies played a pivotal role in achieving an average occupancy rate of 96.9% for the Hong Kong and Singapore markets. While the Hong Kong property landscape proved difficult, our Singapore properties provided a bright spot, delivering fair value gains of HK\$23,280,000. It highlights the benefits of our diversified property portfolio.

Despite the unfavourable economic circumstances, the Group managed to record a profit turnaround, with profit attributable to owners of the Company of HK\$22,413,000 for the Year. In addition to the above-mentioned fair value gains from our Singapore properties, key initiatives contributing to this performance also included the divestment of the underperforming cruise ship charter services business, realising a disposal gain of HK\$9,834,000 while reducing related segment losses to HK\$531,000. We also adjusted our strategy by maintaining a small quantum of equity investment in blue chips, leading to a profit of HK\$315,000, and allocated our resources to bank time deposits offering high interest rates during the prolonged economic downturn. Through prudent portfolio restructuring, astute investment management and diversification of income streams, we demonstrated resilience and an ability to adapt to evolving market conditions.

Cultivating Durable Growth and Shareholder Value

While the Hong Kong government's removal of all cooling measures earlier this year is expected to stimulate residential property transactions and restore the economic momentum, the outlook for interest rates adds uncertainty. Investors agree the US Federal Reserve is unlikely to cut rates at its 2024 June and July meetings. With more officials signalling, inflation may take longer than expected to control, further weighing on the property market recovery and mortgage affordability in Hong Kong. Even though tentative stabilisation in the residential property segment occurred towards the end of the first quarter in 2024, the property market remained fragile, posing challenges for our money lending and property investment segments.

Moving forward, we will maintain stringent risk management practices and credit review processes to ensure sound quality of the loan portfolio under our money lending business. Simultaneously, we stand ready to judiciously expand our money lending business as the anticipated economic recovery takes hold. Additionally, closely monitoring property market developments will enable us to implement timely measures balancing risk and return. While 2024 appears challenging, we have full confidence in the long-term prospects of Hong Kong's money lending and property sectors. Our resilience through this cycle will position us strongly for the future.

Lastly, allow me to extend my sincere gratitude to our dedicated team for their unwavering commitment and hard work. I would also like to express my appreciation to our esteemed shareholders for their trust and support, which are instrumental in driving our success. Together, we will continue to forge ahead with confidence in our ability, overcoming challenges and achieving long-term prosperity.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

The Group's revenue increased by 10.3% to HK\$88,291,000 for the Year (2023: HK\$80,068,000), which was comprised of (i) interest income of HK\$72,744,000 (2023: HK\$72,491,000) from money lending business; (ii) rental income of HK\$15,288,000 (2023: HK\$15,530,000) from property investment business; and (iii) fair value gains of HK\$74,000 (2023: fair value losses of HK\$13,578,000) on listed equity investments and dividend income of HK\$185,000 (2023: HK\$5,625,000) from listed equity investments in securities trading business. The increase in the Group's revenue by HK\$8,223,000 was primarily due to a turnaround from fair value losses of HK\$13,578,000 on listed equity investments last year to fair value gains of HK\$74,000 on listed equity investments for the Year even though it was partially offset by a decrease in dividend income received from listed equity investments by HK\$5,440,000 in the securities trading business.

Other Income

Other income of HK\$15,434,000 recorded for the Year (2023: HK\$7,386,000) was mainly due to an increase in bank interest income by HK\$8,938,000 to HK\$14,982,000 for the Year (2023: HK\$6,044,000) resulting from the higher interest rates offered by banks for time deposit placements. Last year, government grants of HK\$911,000 and HK\$360,000 were received from the Employment Support Scheme under the Anti-epidemic Fund and the Technology Voucher Programme under the Innovation Technology Fund, respectively. However, no such government grants were received during the Year.

Administrative and Operating Expenses

The administrative and operating expenses of HK\$46,731,000 (2023: HK\$44,104,000) were 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 rates; and (vii) other administrative expenses. The increase in administrative and operating expenses was mainly due to (i) an increase in employee benefit expenses (including directors' remuneration) by HK\$1,959,000 and (ii) an increase in overseas travelling expenses by HK\$417,000.

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

The Group recorded fair value gains on investment properties of HK\$10,149,000 in the property investment business for the Year (2023: fair value losses of HK\$12,292,000), which was the net effect of fair value gains of HK\$23,280,000 (2023: HK\$8,008,000) on investment properties in Singapore and fair value losses of HK\$13,131,000 (2023: HK\$20,300,000) on investment properties in Hong Kong.

Provision for Impairment Losses on Loan and Interest Receivables, Net

The impairment losses represented expected credit losses (“ECLs”) on loan and interest receivables in the 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 adjustments for factors that are specific to the debtors.

The Group recognised a net provision for impairment losses of HK\$12,405,000 on loan and interest receivables for the Year (2023: HK\$2,794,000).

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 2024 and 2023:

	2024	2023
	HK\$'000	HK\$'000
Mortgage loans	(12,623)	(2,265)
Unsecured personal loans	218	(529)
	(12,405)	(2,794)

Provision for Impairment Losses on Repossessed Assets, Net

During the Year, a total net provision for impairment losses of HK\$25,559,000 (2023: HK\$1,941,000) was provided for repossessed assets in cases where the carrying amounts of the repossessed assets exceeded the value for sale under repossession performed by an independent professional valuer less costs to sell or the net sale proceeds when the repossessed assets were disposed of during the Year.

Profit/(Loss) Attributable to Owners of the Company

The Group recorded a profit attributable to owners of the Company of HK\$22,413,000 for the Year while a loss attributable to owners of the Company of HK\$36,866,000 was recorded last year. Such turnaround from a loss to a profit was mainly attributable to (i) a decrease in loss from the discontinued operation of cruise ship charter services by HK\$60,212,000 to HK\$531,000 (2023: HK\$60,743,000); (ii) a gain of HK\$9,834,000 on disposal of the discontinued operation of cruise ship charter services (2023: Nil); (iii) an increase in fair value gains on Singapore investment properties by HK\$15,272,000 to HK\$23,280,000 (2023: HK\$8,008,000); (iv) a decrease in fair value losses on Hong Kong investment properties by HK\$7,169,000 to HK\$13,131,000 (2023: HK\$20,300,000); (v) an increase in bank interest income by HK\$8,938,000 to HK\$14,982,000 (2023: HK\$6,044,000); and (vi) a profit of HK\$315,000 from securities trading business (2023: a loss of HK\$7,963,000). The effect was partially offset by (i) an increase in provision for impairment losses on repossessed assets by HK\$23,618,000 to HK\$25,559,000 (2023: HK\$1,941,000) and (ii) an increase in provision for impairment losses on loan and interest receivables for mortgage loan by HK\$10,358,000 to HK\$12,623,000 (2023: HK\$2,265,000).

Business Review

Money Lending

The Group's money lending business is conducted through ETC Finance Limited, an indirect non-wholly owned subsidiary of the Company, holding a licence for conducting money lending activities under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

In order to minimise the risk of recovery of default debts, the Group is mainly engaged on providing mortgage loans secured by first legal charge against real estates located in Hong Kong, including residential, commercial and industrial properties, village houses and car parking spaces, to individuals and corporations. During the Year, the Group granted 40 (2023: 53) mortgage loans in principal sum of HK\$255,960,000 (2023: HK\$334,560,000) to individuals and corporations with principal amounts ranging from HK\$460,000 to HK\$55,000,000 (2023: HK\$130,000 to HK\$49,000,000) at interest rates ranging from 8.0% to 13.0% per annum (2023: 8.0% to 13.5% per annum) with maturity profiles varying from 12 to 180 months (2023: 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 granted 5 (2023: 8) unsecured personal loans in principal sum of HK\$2,520,000 (2023: HK\$7,170,000) to individuals with principal amounts ranging from HK\$100,000 to HK\$1,200,000 (2023: HK\$300,000 to HK\$1,200,000) at interest rates ranging from 20.0% to 22.0% per annum (2023: 18.0% to 21.0% per annum) with maturity profiles varying from 36 to 120 months (2023: 36 to 120 months).

In light of the downturn in Hong Kong's property market, the increasing financial struggles among mortgage borrowers and widespread negative equity situations, the Group's loan and interest receivables decreased by 12.0% from HK\$823,423,000 as at 31 March 2023 to HK\$724,516,000 as at 31 March 2024. There were 114 mortgage loan customers (2023: 115 customers) with loan and interest receivables of HK\$715,029,000 (2023: HK\$810,733,000) and 22 unsecured personal loan customers (2023: 28 customers) with loan and interest receivables of HK\$9,487,000 (2023: HK\$12,690,000), representing 98.7% (2023: 98.5%) and 1.3% (2023: 1.5%) of the total loan and interest receivables as at 31 March 2024, respectively.

In terms of the Group's loan and interest receivables of HK\$724,516,000 as at 31 March 2024 (2023: HK\$823,423,000), the loan and interest receivables from the largest customer and the five largest customers accounted for 7.6% (2023: 8.1%) and 26.0% (2023: 26.0%) respectively.

The Group recorded a slight increase of 0.3% in interest income from the money lending business to HK\$72,744,000 for the Year as compared to HK\$72,491,000 last year. The increase was due to the increase in interest income from mortgage loans by HK\$986,000 to HK\$70,370,000 (2023: HK\$69,384,000), which was partially offset by the decrease in interest income from unsecured personal loans by HK\$733,000 to HK\$2,374,000 (2023: HK\$3,107,000).

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*. The Group recognised a net provision for impairment losses of HK\$12,405,000 on loan and interest receivables for the Year (2023: HK\$2,794,000). As for mortgage loans, a provision for impairment losses on loan and interest receivables of HK\$12,623,000 (2023: HK\$2,265,000) was recorded for the Year due to the decrease in market value of the collaterals and the increase in default cases. As for unsecured personal loans, a reversal of provision for impairment losses on loan and interest receivables of HK\$218,000 (2023: a provision of HK\$529,000) was recorded for the Year due to decrease in the total amount of unsecured personal loan and interest receivables.

In the recovery of credit-impaired loan and interest receivables in the money lending business, the Group obtains rights to rent or sell the underlying collateral assets through court proceedings. For the Year, a total net provision for impairment losses of HK\$25,559,000 (2023: HK\$1,941,000) was provided on repossessed assets which the carrying amounts of the repossessed assets exceeded the value for sale under repossession performed by an independent professional valuer less costs to sell or net sales proceeds when the repossessed assets were disposed of during the Year.

Therefore, the money lending segment recorded a significant decrease in profit by 62.1% to HK\$20,766,000 for the Year (2023: HK\$54,730,000).

Property Investment

Facing macroeconomic hurdles, such as high interest rates, low investment appetite and sluggish inbound tourism, Hong Kong's commercial property market showed mixed results across sectors. Anticipating such challenges, the Group's management team consistently centred their efforts on risk management and devising leasing and property management tactics, enabling the Group to preserve stable occupancy level within its Hong Kong property portfolio and ensure steady rental income generation. Simultaneously, its Singapore properties recorded a 14.9% increase in rental income together with positive fair value gains, demonstrating the Group's ongoing successes in geographical diversification and validating its ability to adapt to ever-shifting market forces.

The Group's segment revenue from property investment decreased by 1.6% to HK\$15,288,000 for the Year (2023: HK\$15,530,000). The rental income from investment properties in Hong Kong decreased by 4.4% to HK\$12,675,000 (2023: HK\$13,256,000) mainly due to reduction of rental rate charged to a new tenant of shop units at Dundas Square, Mongkok. The rental income from investment properties in Singapore recorded an increase of 14.9% to HK\$2,613,000 (2023: HK\$2,274,000), which was resulted from an increase in rental rates charged to tenants of conservation shophouses upon the renewal of their tenancy agreements.

At the end of the reporting period, investment properties were revalued at fair value based on valuation performed by independent professional valuers. Net fair value gains of HK\$10,149,000 on investment properties were recorded for the Year (2023: fair value losses of HK\$12,292,000). The investment properties in Hong Kong recorded fair value losses of HK\$13,131,000 (2023: HK\$20,300,000) while the investment properties in Singapore recorded fair value gains of HK\$23,280,000 (2023: HK\$8,008,000).

As a result, the property investment segment recorded a turnaround from a loss of HK\$389,000 last year to a profit of HK\$21,644,000 for the Year.

For the Year, the Group's investment properties achieved an average occupancy rate of 96.9% (2023: 99.5%) with an average annual rental yield of 2.8% (2023: 2.8%).

Securities Trading

The Group's portfolio of listed equity investments consisted of the blue chips in the Hong Kong stock market. As at 31 March 2024, the Hang Seng Index stood at 16,541, reflecting 18.9% decline over the Year. Trading turnover in the Hong Kong stock market contracted as investment appetite waned, largely due to external macroeconomic factors and weak investor sentiment hit by uncertainties around geopolitical tensions, global economic outlook and high interest rate environment. High interest rates prompted investors to reallocate from stocks to safe-haven assets such as placement of time deposits in banks. Nevertheless, optimism over further policy stimulus to support the Mainland economy helped the Hong Kong stock market recoup some losses. In response to the challenges and uncertainties, the Group only maintained a small quantum of equity investments in blue chips with high dividend yield during the Year.

The securities trading segment recorded a profit of HK\$315,000 for the Year (2023: loss of HK\$7,963,000). The turnaround from a loss to a profit was mainly attributable to the fair value gains of HK\$74,000 (2023: loss of HK\$13,578,000) on equity investments at fair value through profit or loss ("FVTPL"), and the profit was partially offset by a drop in dividend income from equity investments at FVTPL by HK\$5,440,000 to HK\$185,000 (2023: HK\$5,625,000).

As at 31 March 2024, the Group's equity investments at FVTPL amounted to HK\$15,375,000 (2023: Nil) measured at market value. There was no individual equity investment at FVTPL held by the Group with market value more than 5% of the net asset value of the Group. The details of the Group's equity investments at FVTPL as at 31 March 2024 were as below:

Name of stock listed on the stock exchange of Hong Kong (Stock Code)	Number of shares held	Percentage of shareholding held	Investment cost HK\$'000	Market value HK\$'000	Percentage to net assets value of the Group
China Construction Bank Corporation (0939)	1,100,000	0.0005	4,785	5,192	0.27
China Mobile Limited (0941)	60,000	0.0003	3,921	4,014	0.21
Ping An Insurance (Group) Company of China, Ltd. (2318)	60,000	0.0008	3,004	1,983	0.10
Bank of China Limited (3988)	1,300,000	0.0016	3,615	4,186	0.22
			15,325	15,375	0.80

Contingent Liabilities

As at 31 March 2024, the Company had outstanding guarantee of HK\$70,000,000 (2023: HK\$70,000,000) given to a bank to secure general credit facility for a subsidiary. No credit facility was utilised by that subsidiary from such guarantee as at 31 March 2024 (2023: Nil).

Pledge of Assets

As at 31 March 2024, the Group's self-occupied office units and a car park unit at Shun Tak Centre with an aggregate net book value of HK\$108,681,000 (2023: HK\$113,378,000) and listed equity investments with fair value of HK\$15,375,000 (2023: Nil) were pledged to banks and securities brokers for aggregate loan facilities of HK\$80,968,000 (2023: HK\$70,000,000) granted to the Group.

As at 31 March 2024, the Group did not use any loan facility (2023: Nil).

Liquidity and Financial Resources

The Group maintained a sound financial condition. As at 31 March 2024, the Group had net current assets of HK\$1,164,969,000 (2023: HK\$1,060,608,000) and equity attributable to owners of the Company worth HK\$1,561,876,000 (2023: HK\$1,548,147,000).

As at 31 March 2024, the aggregate cash and cash equivalents of the Group were approximately HK\$518,251,000 (2023: approximately HK\$456,027,000 (including cash at bank of HK\$17,000 of a disposal group classified as held for sale)), 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 2024 was approximately HK\$24,087,000 (2023: approximately HK\$71,823,000). During the Year, partial repayment of approximately HK\$47,736,000 was made by the Group. The loan was denominated in United States dollar, which was unsecured, interest-free and repayable on demand.

As at 31 March 2024, the Group had an amount due to an intermediate holding company of HK\$80,000,000 (2023: HK\$80,000,000) which was unsecured, interest-free and repayable on demand.

Stringent cost control measures have already been implemented to monitor 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 for potential financing and equity funding from financial institutions. 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 6.7% as at 31 March 2024 (2023: 9.8%). 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.

Principal Risks and Uncertainties

Market Risk

The Group's business performance is closely tied to the economic conditions and property market dynamics in Hong Kong. Potential economic downturns or deterioration in the property sector could impact property transactions, which in turn could limit the growth of our mortgage loan portfolio. In addition, drop in property prices will cause declining collateral value for our mortgage loans and in turn, increase the risk of impairment losses. To mitigate these risks, the Group will closely monitor the property market trends and collateral valuations affecting our mortgage loan portfolio. This proactive approach allows the Group to promptly identify market fluctuations and implement appropriate risk mitigation strategies from time to time.

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 these transactions, whether they are new or renewal, the Group will conduct due diligence, including but not limited to identity check, 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 continuously monitors the property market and the collateral value of the underlying mortgage loan portfolio to proactively manage risks. Through the audit committee of the Company, the Group has conducted a regular review on the internal control system and identified no significant areas of concern that could affect the operation of the money lending business.

The Group closely monitors whether customers make timely repayment and liaises with them for settlement if there is late repayment. The Group will take 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.

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 price movements and 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.

Employees and Remuneration

As at 31 March 2024, the Group had a total of 32 (2023: 31) staff, including 7 (2023: 6) executive directors but excluding 4 (2023: 3) independent non-executive directors. The employee benefit expense (including directors' emoluments) of HK\$22,663,000 was recorded for the Year (2023: HK\$20,704,000). Remuneration packages for employees and directors are periodically reviewed according to market conditions as well as individual and the Group performance. Benefits plans maintained by the Group include salary increment, mandatory provident fund scheme, medical insurance and discretionary bonuses. The Group offers occupational training in form of external seminars to the employees and has subsidy plans for employees to enhance their knowledge and skills for performing their job duties.

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

Disposal of a Subsidiary

In March 2023, the Group decided to discontinue its cruise ship charter services business. The cruise ship charter services business was classified as a discontinued operation. On 28 April 2023, an indirect non-wholly owned subsidiary of the Company entered into a sale and purchase agreement as the vendor with an independent third party as the purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to acquire the entire issued share capital (the "Sale Share") of Kingston Maritime Limited ("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 services, with the principal asset being the cruise ship "Aegean Paradise". The Group recorded a gain of approximately HK\$9,834,000 on the disposal of a subsidiary. 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 on the disposal, please refer to the Company's announcement dated 28 April 2023.

After the completion of the disposal on 28 April 2023, the loss from the discontinued operation of cruise ship charter services fell significantly to HK\$531,000 for the Year (2023: HK\$60,743,000).

Save as disclosed above, the Group had no significant investments held, material acquisition and disposals of subsidiaries and associates during the Year.

Closure of Register of Members

The annual general meeting of the Company is scheduled to be held on Tuesday, 24 September 2024 (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, 19 September 2024 to Tuesday, 24 September 2024, 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 Tuesday, 17 September 2024.

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 C1 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 2024.

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 C3 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 consolidated financial statements of the Group for the year ended 31 March 2024 including the accounting principles and practices adopted by the Group and discussed the internal control, risk management and financial reporting matters.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2024 as set out in this preliminary announcement have been agreed by the Company's auditor, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this preliminary announcement.

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

Hong Kong, 20 June 2024

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.