

*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 2022**

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 2022 together with comparative figures for the previous year as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*Year ended 31 March 2022*

	<i>Notes</i>	<b>2022</b> <b>HK\$’000</b>	2021 <i>HK\$’000</i>
<b>REVENUE</b>	5	<b>80,741</b>	100,360
Cost of services provided		<u>(7,780)</u>	<u>(15,668)</u>
Gross profit		<b>72,961</b>	84,692
Other income	5	<b>796</b>	4,131
Administrative and operating expenses		<b>(78,333)</b>	(75,793)
Foreign exchange differences, net		<b>(200)</b>	1,269
Deficit on revaluation of cruise ships		<b>(12,001)</b>	(66,713)
Gain on disposal of a non-current asset held for sale	10	<b>714</b>	–
Fair value gains/(losses) on investment properties, net		<b>15,502</b>	(19,486)
Finance costs		<b>(8)</b>	(10)
Reversal of impairment losses on loan and interest receivables, net	12	<b>498</b>	1,050
Reversal of/(provision for) an impairment loss on a repossessed asset		<u><b>11</b></u>	<u>(300)</u>

\* *For identification purpose only*

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

Year ended 31 March 2022

	Notes	2022 HK\$'000	2021 HK\$'000
<b>LOSS BEFORE TAX</b>	6	(60)	(71,160)
Income tax expense	7	<u>(6,775)</u>	<u>(8,775)</u>
<b>LOSS FOR THE YEAR</b>		<u><b>(6,835)</b></u>	<u><b>(79,935)</b></u>
Attributable to:			
Owners of the Company		(1,501)	(56,712)
Non-controlling interests		<u>(5,334)</u>	<u>(23,223)</u>
		<u><b>(6,835)</b></u>	<u><b>(79,935)</b></u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	9		
Basic		<u><b>HK(0.03) cents</b></u>	<u>HK(0.98) cents</u>
Diluted		<u><b>HK(0.03) cents</b></u>	<u>HK(0.98) cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>LOSS FOR THE YEAR</b>	<b>(6,835)</b>	<b>(79,935)</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	<u>114</u>	<u>20,338</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Surplus on revaluation of a cruise ship	–	7,085
Change in fair value of an equity investment designated at fair value through other comprehensive income	<u>(1,417)</u>	<u>1,944</u>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<u>(1,417)</u>	<u>9,029</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<b><u>(1,303)</u></b>	<b><u>29,367</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b><u><u>(8,138)</u></u></b>	<b><u><u>(50,568)</u></u></b>
Attributable to:		
Owners of the Company	<u>(2,837)</u>	<u>(34,686)</u>
Non-controlling interests	<u>(5,301)</u>	<u>(15,882)</u>
	<b><u><u>(8,138)</u></u></b>	<b><u><u>(50,568)</u></u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2022

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>225,365</b>	252,290
Investment properties		<b>556,308</b>	540,780
Equity investment designated at fair value through other comprehensive income		<b>2,040</b>	3,457
Prepayments and other receivables	11	<b>556</b>	461
Loan receivables	12	<b>231,469</b>	87,770
		<hr/>	<hr/>
Total non-current assets		<b>1,015,738</b>	884,758
<b>CURRENT ASSETS</b>			
Trade receivables	13	<b>8,842</b>	43,413
Loan and interest receivables	12	<b>505,829</b>	571,490
Prepayments, deposits and other receivables	11	<b>5,613</b>	5,916
Non-current asset held for sale	10	–	27,195
Repossessed assets		<b>53,358</b>	46,517
Equity investments at fair value through profit or loss		<b>80,075</b>	96,537
Tax recoverable		<b>33</b>	159
Cash and cash equivalents		<b>401,548</b>	454,297
		<hr/>	<hr/>
Total current assets		<b>1,055,298</b>	1,245,524
<b>CURRENT LIABILITIES</b>			
Accruals, other payables and deposits received	14	<b>22,068</b>	29,765
Lease liabilities		<b>134</b>	171
Tax payable		<b>169</b>	876
Due to the intermediate holding company		<b>40,000</b>	40,000
Loan advanced from a non-controlling shareholder of the Group's subsidiary		<b>71,823</b>	71,823
		<hr/>	<hr/>
Total current liabilities		<b>134,194</b>	142,635
<b>NET CURRENT ASSETS</b>		<b>921,104</b>	1,102,889
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,936,842</b>	1,987,647
		<hr/>	<hr/>

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

31 March 2022

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Deposits received	14	<b>1,447</b>	3,094
Lease liabilities		<b>72</b>	141
Deferred tax liabilities		<b>17,569</b>	18,520
		<hr/>	<hr/>
Total non-current liabilities		<b>19,088</b>	21,755
		<hr/>	<hr/>
Net assets		<b>1,917,754</b>	1,965,892
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital		<b>14,451</b>	14,451
Reserves		<b>1,565,253</b>	1,568,090
		<hr/>	<hr/>
		<b>1,579,704</b>	1,582,541
<b>Non-controlling interests</b>		<b>338,050</b>	383,351
		<hr/>	<hr/>
Total equity		<b>1,917,754</b>	1,965,892
		<hr/> <hr/>	<hr/> <hr/>

*Notes:*

## **1. CORPORATE 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.

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 cruise ships, 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. 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 2022. 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).

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 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>

The adoption of the revised HKFRSs has had no significant financial effect on the financial statements.

#### 4. OPERATING SEGMENT INFORMATION

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

- (a) the money lending segment engages in the provision of mortgage loans and unsecured personal loans;
- (b) the cruise ship charter services segment engages in the provision of chartering services of cruise ships;
- (c) the property investment segment invests in prime office space and commercial shops for their rental income potential; and
- (d) 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 interest income, dividend income from an equity investment designated at fair value through other comprehensive income, 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		Cruise ship charter services		Property investment		Securities trading		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue:</b>										
Revenue from external customers	61,060	74,303	-	-	16,275	16,268	3,406	9,789	80,741	100,360
Intersegment sales	-	-	-	-	3,071	3,071	-	-	3,071	3,071
Other income	13	1,078	-	-	76	875	-	1	89	1,954
	<b>61,073</b>	<b>75,381</b>	<b>-</b>	<b>-</b>	<b>19,422</b>	<b>20,214</b>	<b>3,406</b>	<b>9,790</b>	<b>83,901</b>	<b>105,385</b>
<i>Reconciliation:</i>										
Elimination of intersegment sales									(3,071)	(3,071)
Total revenue and other income									<b>80,830</b>	<b>102,314</b>
<b>Segment results</b>	<b>49,005</b>	<b>61,801</b>	<b>(56,449)</b>	<b>(112,325)</b>	<b>28,284</b>	<b>(5,896)</b>	<b>3,385</b>	<b>9,776</b>	<b>24,225</b>	<b>(46,644)</b>
<i>Reconciliation:</i>										
Bank interest income									699	1,033
Gain on disposal of a non-current asset held for sale									714	-
Corporate and other unallocated income									8	1,144
Corporate and other unallocated expenses									(25,706)	(26,693)
Loss before tax									<b>(60)</b>	<b>(71,160)</b>

	Money lending		Cruise ship charter services		Property investment		Securities trading		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment assets</b>	<b>794,772</b>	709,274	<b>100,620</b>	147,630	<b>558,072</b>	546,588	<b>88,251</b>	136,365	<b>1,541,715</b>	1,539,857
<i>Reconciliation:</i>										
Elimination of intersegment receivables									-	(180)
Corporate and other unallocated assets									<u>529,321</u>	<u>590,605</u>
Total assets									<u><u>2,071,036</u></u>	<u><u>2,130,282</u></u>
<b>Segment liabilities</b>	<b>1,705</b>	8,717	<b>15,329</b>	17,513	<b>4,993</b>	5,292	-	-	<b>22,027</b>	31,522
<i>Reconciliation:</i>										
Elimination of intersegment payables									-	(180)
Corporate and other unallocated liabilities									<u>131,255</u>	<u>133,048</u>
Total liabilities									<u><u>153,282</u></u>	<u><u>164,390</u></u>
<b>Other segment information:</b>										
Depreciation	<b>287</b>	142	<b>7,780</b>	15,668	-	-	-	-	<b>8,067</b>	15,810
Fair value losses/(gains) on investment properties, net	-	-	-	-	<b>(15,502)</b>	19,486	-	-	<b>(15,502)</b>	19,486
Deficit on revaluation of cruise ships, net	-	-	<b>12,001</b>	59,628	-	-	-	-	<b>12,001</b>	59,628
Fair value losses/(gains) on equity investments at fair value through profit or loss, net	-	-	-	-	-	-	<b>1,671</b>	(8,079)	<b>1,671</b>	(8,079)
Fair value gains on financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	(391)	-	(391)
Reversal of impairment losses on loan and interest receivables	<b>(498)</b>	(1,050)	-	-	-	-	-	-	<b>(498)</b>	(1,050)
Provision for/(reversal of) an impairment loss on a repossessed asset	<b>(11)</b>	300	-	-	-	-	-	-	<b>(11)</b>	300
Capital expenditure*	<b>134</b>	567	-	11,770	-	-	-	-	<b>134</b>	12,337

\* Capital expenditure consists of additions to property, plant and equipment.

## Geographical information

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	78,972	100,280
Southeast Asia except Hong Kong	<u>1,858</u>	<u>2,034</u>
	<u><b>80,830</b></u>	<u><b>102,314</b></u>

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

(b) *Non-current assets*

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	747,770	610,586
Southeast Asia except Hong Kong	<u>265,928</u>	<u>270,715</u>
	<u><b>1,013,698</b></u>	<u><b>881,301</b></u>

The non-current asset information 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, net, fair value gains/losses on financial assets/liabilities 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 is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue</b>		
Interest income from mortgage loans and unsecured personal loans	61,060	74,303
Gross rental income from investment properties	16,275	16,268
Fair value gains/(losses) on equity investments at fair value through profit or loss, net	(1,671)	8,079
Fair value gains on financial liabilities at fair value through profit or loss	–	391
Dividend income from equity investments at fair value through profit or loss	5,077	1,319
	<u>80,741</u>	<u>100,360</u>
<b>Other income</b>		
Bank interest income	699	1,033
Government subsidies ( <i>Note</i> )	–	2,191
Others	97	907
	<u>796</u>	<u>4,131</u>

*Note:*

In the prior year, the government subsidies were wage subsidies provided by the Government of the Hong Kong Special Administrative Region under the Employment Support Scheme. Subsidies from the government were recognised at their fair value where there was a reasonable assurance that the subsidies would be received and the Group would comply with all attached conditions. Government subsidies relating to costs were deferred and recognised in the profit or loss over the period necessary to match them with the costs for which they were intended to compensate.

## 6. LOSS BEFORE TAX

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

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Cost of services provided <sup>#</sup>		<b>7,780</b>	15,668
Depreciation <sup>#</sup>		<b>15,268</b>	23,048
Auditor's remuneration		<b>1,680</b>	1,620
Employee benefit expense (including directors' remuneration):			
Salaries and allowances		<b>18,574</b>	20,112
Pension scheme contributions*		<b>882</b>	956
Total staff costs		<b>19,456</b>	21,068
Lease payments not included in the measurement of lease liabilities		<b>295</b>	275
Foreign exchange differences, net		<b>200</b>	(1,269)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		<b>3,049</b>	2,758
Fair value losses/(gains) on investment properties, net		<b>(15,502)</b>	19,486
Reversal of impairment losses on loan and interest receivables, net	12	<b>(498)</b>	(1,050)
Provision for/(reversal of) an impairment loss on a repossessed asset		<b>(11)</b>	300
Special subsidies to the charterer of cruise ships		<b>36,426</b>	31,153

<sup>#</sup> Included in depreciation above were amounts for depreciation of cruise ships of HK\$7,780,000 (2021: HK\$15,668,000) charged to cost of services provided.

\* 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% (2021: 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 (2021: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	7,722	9,636
Underprovision/(overprovision) in prior years	(164)	46
Current – Elsewhere		
Charge for the year	168	130
Underprovision in prior years	–	1
Deferred	(951)	(1,038)
	<u>6,775</u>	<u>8,775</u>
Total tax charge for the year	<u>6,775</u>	<u>8,775</u>

## 8. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2022 (2021: Nil).

## 9. 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 (2021: 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 2022 and 2021 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>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
<b>Loss</b>		
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	<u>(1,501)</u>	<u>(56,712)</u>
	<b>2022</b>	2021
<b>Shares</b>		
Number of ordinary shares in issue during the year, used in the basic loss per share calculation	<u>5,780,368,705</u>	<u>5,780,368,705</u>

#### 10. NON-CURRENT ASSET HELD FOR SALE

As at 31 March 2021, one of the cruise ships under the cruise ship charter services operating segment was classified as a non-current asset held for sale in the consolidated statement of financial position. On 22 April 2021, the Group, through an indirect non-wholly owned subsidiary, entered into an agreement with an independent third party to dispose of the cruise ship for a cash consideration of approximately US\$3,592,000 (equivalent to approximately HK\$27,909,000). The transaction was completed on 25 May 2021.

During the year ended 31 March 2022, a gain on disposal of a non-current asset held for sale of HK\$714,000 has been recognised in the consolidated statement of profit or loss 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 as a movement in reserves.

#### 11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Prepayments	<b>1,963</b>	1,578
Deposits and other receivables	<u>4,206</u>	<u>4,799</u>
	<b>6,169</b>	6,377
Less: Non-current portion	<u>(556)</u>	<u>(461)</u>
Current portion	<u>5,613</u>	<u>5,916</u>

Deposits and other receivables mainly represented rental deposits, 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 2022 and 2021, the loss allowances were assessed to be minimal.

## 12. LOAN AND INTEREST RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loan and interest receivables	739,077	661,861
Less: Provision for impairment losses on loan and interest receivables	<u>(1,779)</u>	<u>(2,601)</u>
Loan and interest receivables, net of provision	737,298	659,260
Less: Non-current portion	<u>(231,469)</u>	<u>(87,770)</u>
Current portion	<u><u>505,829</u></u>	<u><u>571,490</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\$13,990,000 (2021: HK\$21,869,000) as at 31 March 2022, 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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At beginning of year	2,601	3,651
Reversal of impairment losses on loan and interest receivables, net ( <i>note 6</i> )	(498)	(1,050)
Amount written off as uncollectible	<u>(324)</u>	<u>–</u>
At the end of year	<u><u>1,779</u></u>	<u><u>2,601</u></u>

As at 31 March 2022, loan and interest receivables of HK\$2,607,000 (2021: HK\$6,360,000) were past due. Except for overdue personal loan and interest receivables of HK\$289,000 (2021: HK\$1,105,000) with no collateral, the overdue balances of HK\$2,318,000 (2021: HK\$5,255,000) were mortgage loans and were related to a number of third-party customers. The directors of the Company are of the opinion that these overdue mortgage loans were fully secured by the collateral, and accordingly, these balances are still considered to be fully recoverable and not impaired.

For loan and interest receivables that are not credit-impaired and without a significant increase in credit risk since initial recognition (“Stage 1”), ECL is measured at an amount equal to the portion of the lifetime ECL 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 ECL is measured based on lifetime ECL. 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 2022, a total provision of HK\$1,463,000 (2021: HK\$1,728,000) was made under Stage 1 and Stage 2 based on assessment from the ECL 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. As at 31 March 2022, loan and interest receivables with an aggregate amount of HK\$26,402,000 (2021: HK\$54,381,000) were in default under Stage 3 lifetime ECL and a provision of HK\$316,000 (2021: HK\$873,000) 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>2022</b>	2021
	<b>HK\$’000</b>	HK\$’000
Current	<b>505,829</b>	571,490
Over 1 year and within 5 years	<b>185,149</b>	44,507
Over 5 years	<b>46,320</b>	43,263
	<b><u>737,298</u></b>	<u>659,260</u>

### 13. TRADE RECEIVABLES

	<b>2022</b>	2021
	<b>HK\$’000</b>	HK\$’000
Trade receivables	<b>8,842</b>	43,413

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\$11,546,000 (2021: HK\$14,436,000). Trade receivables of HK\$8,176,000 (2021: HK\$39,828,000) due from security dealers bear interest at floating rates and trade receivables of HK\$666,000 (2021: HK\$3,585,000) due from tenants bear interest at fixed rates on the 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>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Within 1 month	<b>8,706</b>	40,242
1 to 2 months	<b>136</b>	349
2 to 3 months	–	349
Over 3 months	–	2,473
	<b>8,842</b>	43,413

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 2022, certain subsidiaries have pledged trade receivables with an aggregate carrying value of HK\$121,000 (2021: HK\$3,462,000) to secure banking facilities granted.

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

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Accruals	<b>1,917</b>	1,933
Other payables and deposits received	<b>21,598</b>	30,926
	<b>23,515</b>	32,859
Portion classified as non-current liabilities	<b>(1,447)</b>	(3,094)
Current portion	<b>22,068</b>	29,765

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

## **CHAIRMAN'S STATEMENT**

On behalf of New Century Group Hong Kong Limited (the "Company"), I would like to present to you the annual results of the Company and its subsidiaries ("New Century" or the "Group") for the year ended 31 March 2022 (the "Year").

The Year was yet another disruptive year globally and especially for Hong Kong, where the economy shrank by 4% in the first quarter of 2022, following an increase of 4.7% in the fourth quarter of 2021. As the fifth wave of local epidemic and the restrictive measures weighed heavily on nearly all economic activities alongside the drop in economic sentiment, the city is expected to expand in a range of 1% to 2% in 2022, down from the previous prediction of 2% to 3.5%. Nevertheless, Hong Kong once again demonstrated its resilience, with its S&P Global Hong Kong Purchasing Managers' Index jumped to 54.9 in May 2022, the sharpest rate of growth since March 2011, showing the sign of a promising rebound for the city.

### **Adapting to the New Normal**

Despite the turbulence of the pandemic, the Group managed to navigate through the hurdles by tapping into our robust fundamentals and sturdy balance sheet. Against this backdrop, loss attributable to the owners of the Company was improved by 97.4% from HK\$56,712,000 last year to HK\$1,501,000 this Year.

The outbreak of COVID-19 has created economic uncertainty that posed as a challenge to our money lending business. To minimise our credit risk and operating costs, we carried out a set of predefined measures and focused primarily on mortgage financing. The money lending segment recorded a profit of HK\$49,005,000 for the Year.

During the Year, the travel restrictions still crippled our business on cruise ship charter services. In order to reallocate our resources on the core competencies in money lending business, we disposed of the cruise ship "Leisure World" on 25 May 2021 and only maintain the cruise ship "Aegean Paradise" in operation. After a suspension period of over 20 months, our cruise ship charter services business has welcomed its good news and the cruise ship "Aegean Paradise" has resumed sailing at the end of January 2022. The cruise ship charter services segment recorded a significant decrease in loss by 49.7% from HK\$112,325,000 last year to HK\$56,449,000 this Year.

As for our property investment segment, it continued to show steady performance and generate recurring income albeit with an impact from the ongoing global pandemic. During the Year, the Hong Kong commercial leasing market remained soft and the Group still granted temporary rental reduction to its tenants. Together with a reduction in rental rate of shop units at Dundas Square, Mongkok upon its renewal of tenancy, a moderate decline in rental income in Hong Kong was recorded. Nevertheless, the decline in rental income in Hong Kong was offset by the increase in rental rate of our certain Singapore conservation shophouses. Thanks to the fair value gains of investment properties, the Group recorded a turnaround for the segment with a profit of HK\$28,284,000 for the Year.

## **Going Forward**

While we are confident about our existing investment portfolio to remain stable, our outlook is invariably tied to the global economy and the markets where we operate as uncertainties continue to arise from the Sino-US tension, Russia-Ukraine war and the slowdown in economic activities caused by the pandemic.

We will keep a close eye on the industry trends and move quickly to allocate our resources on the businesses that will better position ourselves to capture growth opportunities when the business sentiment improves. While we hope the worst is finally behind us, we will remain resilient and continue to seek potential investment opportunities to further diversify our portfolio by leveraging on our strong track record and capabilities, setting the stage to deliver sustainable growth for our shareholders.

Last but not least, I would like to thank my dedicated and talented colleagues for their efforts and hard work to build and sustain our businesses in such challenging times. I would also like to thank our shareholders, investors, business partners and clients for their continued confidence and support.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

#### *Revenue*

The Group's revenue amounted to HK\$80,741,000 for the Year, representing a decrease of 19.5% as compared to HK\$100,360,000 last year. The decrease in the Group's revenue was mainly attributable to (i) decrease in interest income from money lending business by 17.8% from HK\$74,303,000 last year to HK\$61,060,000 for the Year and (ii) decrease in revenue from securities trading business by 65.2% from HK\$9,789,000 last year to HK\$3,406,000 for the Year.

#### *Cost of Services Provided*

Cost of services provided represented the depreciation of cruise ships amounting to HK\$7,780,000 (2021: HK\$15,668,000). The cruise ship "Aegean Paradise" incurred depreciation of HK\$7,780,000 (2021: HK\$10,631,000) while no depreciation (2021: HK\$5,037,000) was recorded for the cruise ship "Leisure World" which was disposed of during the Year.

#### *Other Income*

Other income of HK\$796,000 was recorded for the Year, representing a decrease of 80.7% as compared to HK\$4,131,000 last year. The decrease was mainly due to that (i) the Government of the Hong Kong Special Administrative Region (the "Government of the HKSAR") did not provide wage subsidies during the Year (2021: HK\$2,191,000); (ii) bank interest income decreased from HK\$1,033,000 last year to HK\$699,000 for the Year; and (iii) there was no overdue interest income for rental receivable during the Year (2021: HK\$440,000).

### *Administrative and Operating Expenses*

The administrative and operating expenses mainly comprised of (i) special subsidies to the charterer of cruise ships; (ii) employee benefit expense (including directors' remuneration); (iii) depreciation of property, plant and equipment (excluding cruise ships); (iv) advertising and promotion expenses; (v) auditor's remuneration; and (vi) other administrative expenses.

Administrative and operating expenses of HK\$78,333,000 were incurred by the Group for the Year, which increased by 3.4% compared to HK\$75,793,000 last year. The increase in administrative and operating expenses by HK\$2,540,000 was mainly due to the net effect of the following factors: (i) increase in special subsidies to the charterer of cruise ships by 16.9% from HK\$31,153,000 last year to HK\$36,426,000 for the Year; (ii) decrease in employee benefit expense (including directors' remuneration) by 7.7% from HK\$21,068,000 last year to HK\$19,456,000 for the Year; and (iii) decrease in the advertising and promotion expenses by 26.2% from HK\$5,693,000 last year to HK\$4,203,000 for the Year.

### *Deficit on Revaluation of Cruise Ships*

The Group recorded revaluation deficit on cruise ships of HK\$12,001,000 for the Year (2021: HK\$66,713,000) in the consolidated statement of profit or loss, resulting from the revaluation deficit of HK\$12,001,000 (2021: HK\$62,066,000) on cruise ship "Aegean Paradise" and no revaluation deficit (2021: HK\$4,647,000) on cruise ship "Leisure World" which was disposed of during the Year.

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

Fair value gains of investment properties amounted to HK\$15,502,000 for the Year (2021: fair value losses of HK\$19,486,000), which was derived from the fair value gains of HK\$500,000 (2021: fair value losses of HK\$22,900,000) on the investment properties in Hong Kong and the fair value gains of HK\$15,002,000 (2021: HK\$3,414,000) on the investment properties in Singapore.

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

The cruise ship "Leisure World" was disposed 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 during the Year.

### *Reversal of Impairment Losses on Loan and Interest Receivables, Net*

Net reversal of impairment losses of HK\$498,000 for the Year (2021: HK\$1,050,000) on loan and interest receivables was attributable to decrease in provision for impairment losses on unsecured personal loan and interest receivables.

### *Reversal of/(Provision for) an Impairment Loss on a Repossessed Asset*

The Group recorded a reversal of overprovision of HK\$11,000 (2021: Provision of HK\$300,000) for an impairment loss on a repossessed asset which was disposed during the Year.

### *Loss for the Year*

The Group recorded a loss attributable to owners of the Company of HK\$1,501,000 (2021: HK\$56,712,000). The decline in loss was principally due to (i) significant decrease in deficit on revaluation of cruise ships recognised in the consolidated statement of profit or loss from HK\$66,713,000 last year to HK\$12,001,000 for the Year and (ii) fair value gains of HK\$15,502,000 for the Year (2021: fair value losses of HK\$19,486,000) on investment properties, which was netted off with (i) decrease in profit from money lending business to HK\$49,005,000 (2021: HK\$61,801,000) and (ii) decrease in profit from securities trading business to HK\$3,385,000 (2021: HK\$9,776,000).

## **Business Review**

### *Money Lending*

During the Year, there were still over 2,400 licensed money lenders in Hong Kong, representing a keen competition in which the players offered loans at falling interest rates. In addition, due to the ongoing COVID-19 pandemic, consumer have curtailed their spending and slowed their borrowing. To reduce its credit risk amid uncertainty, the Group focused primarily on mortgage financing, resulting in a decrease in its loan portfolio during mid-year but has shown improvement towards the end of the Year. As at 31 March 2022, the Group recorded total gross loan and interest receivables of HK\$739,077,000 (2021: HK\$661,861,000). The gross mortgage loan and interest receivables was HK\$725,087,000 (2021: HK\$639,992,000) and gross unsecured personal loan and interest receivables was HK\$13,990,000 (2021: HK\$21,869,000), representing 98.1% (2021: 96.7%) and 1.9% (2021: 3.3%) of the Group's total loan portfolio respectively.

Despite the Group's gross loan and interest receivables increased by 11.7% from HK\$661,861,000 as at 31 March 2021 to HK\$739,077,000 as at 31 March 2022, the Group recorded a 17.8% decrease in interest income to HK\$61,060,000 for the Year, as compared to HK\$74,303,000 last year. The interest income from mortgage loans decreased by 17.1% from HK\$69,474,000 last year to HK\$57,618,000 for the Year, whereas interest income from unsecured personal loans decreased by 28.7% from HK\$4,829,000 last year to HK\$3,442,000 for the Year. Decrease in interest income from both the mortgage loans and unsecured personal loans were due to decrease in the average balance of mortgage loan receivables and unsecured personal loan receivables, respectively.

Together with the effects of (i) no wage subsidy provided from the Government of the HKSAR during the Year (2021: HK\$1,057,000); (ii) decrease in advertising and promotion expenses from HK\$5,587,000 last year to HK\$4,117,000 for the Year; and (iii) decrease in net reversal of impairment losses on loan and interest receivables from HK\$1,050,000 last year to HK\$498,000 for the Year, the segment profit decreased by 20.7% to HK\$49,005,000 for the Year (2021: HK\$61,801,000).

#### *Cruise Ship Charter Services*

Following a more-than-a-year-long operational halt since mid-March 2020, the Group's cruise ship charter services segment finally saw a gradual restart with the permit from the Malaysian Government. The cruise ship "Aegean Paradise" resumed operation in Penang on 22 January 2022. However, in accordance with the charter agreement of "Aegean Paradise", the charterer was not required to pay daily charter fee to the Group if the number of persons onboard was under 60% of the maximum carrying capacity, i.e., 960 persons. The segment still brought no charter service income to the Group during the Year.

During the Year, the Group decided to accelerate the exit of "Leisure World" on 22 April 2021 at a consideration of approximately US\$3,592,000 (equivalent to approximately HK\$27,909,000) to optimise its resources allocation. The disposal of "Leisure World" was completed on 25 May 2021. Following the disposal, no revaluation deficit of "Leisure World" (2021: HK\$4,647,000) was recorded in the consolidated statement of profit or loss for the Year.

Special subsidies incurred for the Year amounted to HK\$36,426,000 (2021: HK\$31,153,000), which represented HK\$34,839,000 (2021: HK\$20,769,000) for "Aegean Paradise" and HK\$1,587,000 (2021: HK\$10,384,000) for "Leisure World".

Last year, "Aegean Paradise" went into dry dock and capital expenditure of HK\$11,770,000 was incurred. Revaluation deficit of HK\$62,066,000 was recognised for "Aegean Paradise" in the consolidated statement of profit or loss last year. For the Year, there was no dry dock arrangement and revaluation deficit of HK\$12,001,000 was recorded for "Aegean Paradise" in the consolidated statement of profit or loss.

In view of the above-mentioned factors, the cruise ship charter services segment recorded a significant decrease in loss by 49.7% from HK\$112,325,000 last year to HK\$56,449,000 for the Year.

### *Property Investment*

The fifth wave of COVID-19 stalled the recovery of leasing activities and dragged the rental levels down in the Hong Kong commercial property market, causing a slight decrease in the Group's rental revenue from its Hong Kong properties during the Year. Fortunately, the Group's segment revenue and results remained stable for the Year, thanks to the improved performance in terms of appreciation in fair value as well as an increase in rental rate of investment properties in Singapore.

During the Year, the Group's segment revenue from property investment stood at HK\$16,275,000 (2021: HK\$16,268,000), which comprised of HK\$14,418,000 (2021: HK\$14,561,000) from investment properties in Hong Kong and HK\$1,857,000 (2021: HK\$1,707,000) from investment properties in Singapore. Slight decrease in revenue from Hong Kong investment properties was mainly due to decrease in rental rate to a tenant of shop units at Dundas Square, Mongkok upon its renewal of tenancy agreement despite shorter period of temporary rental reductions were granted to tenants during the Year as compared to last year. Increase in revenue from Singapore investment properties was mainly due to increase in rental rate of new tenancy of certain conservation shophouses.

At the end of each of the reporting date, investment properties were revalued at fair value. Fair value gains of HK\$15,502,000 (2021: fair value losses of HK\$19,486,000) on investment properties were recorded for the Year. The investment properties in Hong Kong recorded fair value gains of HK\$500,000 for the Year (2021: fair value losses of HK\$22,900,000) while fair value gains of HK\$15,002,000 (2021: HK\$3,414,000) were recorded for the investment properties in Singapore for the Year.

As a result of the aforesaid, the segment result turned from a loss of HK\$5,896,000 last year to a profit of HK\$28,284,000 for the Year.

For the Year, the Group's investment properties achieved an average occupancy rate of 98.8% (2021: 99.7%) with an average annual rental yield of 3.0% (2021: 3.0%).

### *Securities Trading*

The Group's portfolio of securities consisted of the blue chips in the Hong Kong stock market.

Securities trading segment recorded a gain of HK\$3,385,000 for the Year (2021: HK\$9,776,000), which mainly represented net realised and unrealised losses of HK\$1,671,000 (2021: net realised and unrealised gains of HK\$8,079,000) on equity investments at fair value through profit or loss and dividend income of HK\$5,077,000 (2021: HK\$1,319,000) from equity investments at fair value through profit or loss.

As at 31 March 2022, the Group's equity investments at fair value through profit or loss amounted to HK\$80,075,000 (2021: HK\$96,537,000). There was no individual equity investment held by the Group with market value more than 5% of the net assets value of the Group. The details of the Group's equity investments as at 31 March 2022 were as below:

Name of stock listed on the stock exchange of Hong Kong (Stock Code)	Number of shares held	Percentage of shareholding held	Investment cost HK\$'000	Market value HK\$'000	Percentage to net assets value of the Group
CK Hutchison Holdings Limited (0001)	90,000	0.0023	4,840	5,180	0.27
Power Assets Holdings Limited (0006)	60,000	0.0028	2,659	3,060	0.16
China Construction Bank Corporation (0939)	3,800,000	0.0016	21,114	22,382	1.17
China Mobile Limited (0941)	340,000	0.0017	16,962	18,394	0.95
CK Infrastructure Holdings Limited (1038)	100,000	0.0040	4,725	5,240	0.27
CK Asset Holdings Limited (1113)	70,000	0.0019	3,371	3,759	0.20
Ping An Insurance (Group) Company of China, Ltd. (2318)	170,000	0.0023	8,669	9,460	0.49
Bank of China Limited (3988)	4,000,000	0.0048	11,311	12,600	0.66
Total for equity investments at fair value through profit or loss			<u>73,651</u>	<u>80,075</u>	<u>4.17</u>

### **Contingent Liabilities**

As at 31 March 2022, the Company had outstanding guarantees of HK\$130,000,000 (2021: HK\$190,000,000) given to banks to secure general credit facility for certain subsidiaries. No credit facility was utilised by subsidiaries from such guarantees at the end of the reporting period (2021: Nil).

### **Pledge of Assets**

As at 31 March 2022, the Group's self-occupied office units and a car park at Shun Tak Centre with an aggregate net book value of HK\$118,075,000 (2021: HK\$122,773,000), investment properties at Kwai Chung Plaza with fair value of HK\$183,000,000 (2021: HK\$183,000,000), securities with market value of HK\$80,075,000 (2021: HK\$96,537,000) and rental receivables with carrying amount of HK\$121,000 (2021: HK\$3,462,000) were pledged to banks and securities dealers for loan facilities worth HK\$171,610,000 (2021: HK\$231,846,000) granted to the Group. As at 31 March 2022, the Group did not use any loan facility (2021: Nil).

### **Liquidity and Financial Resources**

The Group maintained a sound financial condition. As at 31 March 2022, the Group had net current assets of HK\$921,104,000 (2021: HK\$1,102,889,000) and equity attributable to owners of the Company worth HK\$1,579,704,000 (2021: HK\$1,582,541,000).

As at 31 March 2022, the cash and cash equivalents of the Group were HK\$401,548,000 (2021: HK\$454,297,000), 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 2022 was approximately HK\$71,823,000 (2021: 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 2022, the Group had an amount due to an intermediate holding company of HK\$40,000,000 (2021: HK\$40,000,000) which was unsecured, interest-free and repayable on demand.

At the end of the reporting date, the Group's gearing ratio, calculated as total indebtedness divided by equity attributable to owners of the Company, was 7.1% (2021: 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.

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 continual operation and development.

## **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 will closely monitor 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 conducting loan and lease transactions with high quality customers and obtaining sufficient collaterals as a means of mitigating the risk of financial loss from defaults. In most cases, the Group grants loan with a loan-to-value ratio of no more than 70%. The Group continues to monitor the property market and the collateral value of the underlying mortgage loan portfolio so that appropriate risk response can be taken. 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 credit risk is significantly reduced.

## **Human Resources**

As at 31 March 2022, the Group had a total of 31 staff (2021: 32 staff), including six executive directors but excluding three independent non-executive directors. The employee benefit expense (including directors' emoluments) was HK\$19,456,000 for the Year (2021: HK\$21,067,000). As the Group was still affected by outbreak of COVID-19, all executive directors and certain senior staff of the Company voluntarily agreed to waive their basic monthly salary by 25% and 15% temporarily and respectively with effect from 1 November 2020 until further notice. 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. As at 31 March 2022, the Group had 132,800,000 (2021: 132,800,000) outstanding share options granted to eligible directors and employees of the Group.

## **Disposal of Cruise Ship – Leisure World**

On 22 April 2021, the Group, through an indirect non-wholly owned subsidiary, entered into an agreement with an independent third party to sell the cruise ship "Leisure World" for demolition purpose only, at a consideration of approximately US\$3,592,000 (equivalent to approximately HK\$27,909,000). The disposal was completed on 25 May 2021, resulting in a gain on disposal of HK\$714,000. 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. The disposal constituted a discloseable transaction and 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 22 April 2021.

## **Closure of Register of Members**

The annual general meeting of the Company is scheduled on Wednesday, 21 September 2022 (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 Friday, 16 September 2022 to Wednesday, 21 September 2022, 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 15 September 2022.

## **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 2022, save and except for the code provision F.2.2 which stipulates that the chairman of the board should attend the annual general meeting.

Mr. Ng Wee Keat, being the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 28 September 2021 due to the travel restrictions under COVID-19 pandemic. In his absence, Mr. Yu Wai Man, the executive director of the Company attended and took the chair of the said annual general meeting and ensured the proceedings of the meeting were conducted in order.

## **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 three independent non-executive directors, namely, Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2022 including the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters.

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

Hong Kong, 23 June 2022

*As at the date of this announcement, the Board comprises Mr. Ng Wee Keat (Chairman), Ms. Sio Ion Kuan (Deputy Chairman), Ms. Ng Siew Lang, Linda (Chief Operating Officer), Ms. Lilian Ng, Ms. Chen Ka Chee and Mr. Yu Wai Man as executive directors and Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming as independent non-executive directors.*