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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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The board of directors (the “Board”) of New Century Group Hong Kong Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2023.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2023

| | <i>Notes</i> | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 (Restated) |
|--|--------------|--|---|
| CONTINUING OPERATIONS | | | |
| REVENUE | 5 | 43,772 | 29,019 |
| Other income | 5 | 7,092 | 1,937 |
| Administrative and operating expenses | | (21,507) | (20,432) |
| Foreign exchange differences, net | | (547) | (2) |
| Fair value gains on investment properties, net | | 8,320 | 1,896 |
| Reversal of/(provision for) impairment losses on loan and interest receivables, net | | 339 | (1,182) |
| Provision for impairment losses on repossessed assets, net | | (353) | (145) |
| Finance costs | | (1) | (2) |
| | | <hr/> | <hr/> |
| PROFIT BEFORE TAX FROM CONTINUING OPERATIONS | 6 | 37,115 | 11,089 |
| Income tax expense | 7 | (5,599) | (5,842) |
| | | <hr/> | <hr/> |

* *For identification purpose only*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(continued)

For the six months ended 30 September 2023

| | <i>Notes</i> | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 (Restated) |
|---|--------------|--|---|
| PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS | | 31,516 | 5,247 |
| DISCONTINUED OPERATION | 8 | | |
| Loss for the period from a discontinued operation | | (531) | (11,992) |
| Gain on disposal of a subsidiary | 14 | 9,834 | – |
| PROFIT/(LOSS) FOR THE PERIOD | | 40,819 | (6,745) |
| Attributable to: | | | |
| Owners of the Company | | 25,630 | (8,625) |
| Non-controlling interests | | 15,189 | 1,880 |
| | | 40,819 | (6,745) |
| EARNINGS/(LOSS) PER SHARE | | | |
| ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY | 9 | | |
| Basic | | | |
| – For profit/(loss) for the period | | HK0.44 cents | HK(0.15) cents |
| – For profit/(loss) from continuing operations | | HK0.35 cents | HK(0.03) cents |
| Diluted | | | |
| – For profit/(loss) for the period | | HK0.44 cents | HK(0.15) cents |
| – For profit/(loss) from continuing operations | | HK0.35 cents | HK(0.03) cents |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

| | <i>Note</i> | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 |
|--|-------------|--|---------------------------------|
| PROFIT/(LOSS) FOR THE PERIOD | | 40,819 | (6,745) |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | |
| Other comprehensive loss that may be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences: | | | |
| Exchange differences on translation of foreign operations | | (5,720) | (14,415) |
| Reclassification adjustment for a foreign operation disposed of during the period | 14 | <u>(9,487)</u> | <u>–</u> |
| Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods | | <u>(15,207)</u> | <u>(14,415)</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>220</u> | <u>19</u> |
| OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX | | <u>(14,987)</u> | <u>(14,396)</u> |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | | <u>25,832</u> | <u>(21,141)</u> |
| Attributable to: | | | |
| Owners of the Company | | <u>14,499</u> | (21,096) |
| Non-controlling interests | | <u>11,333</u> | (45) |
| | | <u>25,832</u> | <u>(21,141)</u> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2023

| | <i>Notes</i> | 30 September 2023 (Unaudited) HK\$'000 | 31 March 2023 (Audited) HK\$'000 |
|---|--------------|---|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 116,148 | 118,900 |
| Investment properties | | 550,760 | 547,700 |
| Equity investment designated at fair value through other comprehensive income | | 3,205 | 2,985 |
| Prepayments and other receivables | 12 | 459 | 546 |
| Loan receivables | 11 | 145,775 | 167,711 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 816,347 | 837,842 |
| CURRENT ASSETS | | | |
| Lease receivables | 10 | 1,078 | 357 |
| Amount due from security dealers | | 9,264 | 27 |
| Loan and interest receivables | 11 | 633,899 | 655,712 |
| Prepayments, deposits and other receivables | 12 | 6,856 | 6,976 |
| Amount due from a non-controlling shareholder of the Group's subsidiary | | 2 | – |
| Repossessed assets | | 112,085 | 58,133 |
| Equity investments at fair value through profit or loss | | 15,054 | – |
| Cash and cash equivalents | | 447,659 | 456,010 |
| | | <hr/> | <hr/> |
| | | 1,225,897 | 1,177,215 |
| Assets of a disposal group classified as held for sale | | – | 66,317 |
| | | <hr/> | <hr/> |
| Total current assets | | 1,225,897 | 1,243,532 |
| CURRENT LIABILITIES | | | |
| Accruals, other payables and deposits received | 13 | 7,063 | 8,405 |
| Lease liabilities | | 3 | 72 |
| Tax payable | | 6,323 | 1,291 |
| Amount 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/> |
| | | 117,476 | 161,591 |
| Liabilities directly associated with the assets classified as held for sale | | – | 21,333 |
| | | <hr/> | <hr/> |
| Total current liabilities | | 117,476 | 182,924 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

30 September 2023

| | 30 September 2023 (Unaudited) HK\$'000 | 31 March 2023 (Audited) HK\$'000 |
|---|---|---|
| | <i>Note</i> | |
| NET CURRENT ASSETS | 1,108,421 | 1,060,608 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 1,924,768 | 1,898,450 |
| NON-CURRENT LIABILITIES | | |
| Deposits received | 13 1,220 | 1,184 |
| Deferred tax liabilities | 18,242 | 17,792 |
| Total non-current liabilities | 19,462 | 18,976 |
| Net assets | 1,905,306 | 1,879,474 |
| EQUITY | | |
| Equity attributable to owners of the Company | | |
| Issued capital | 14,451 | 14,451 |
| Reserves | 1,548,195 | 1,533,696 |
| Non-controlling interests | 1,562,646 | 1,548,147 |
| | 342,660 | 331,327 |
| Total equity | 1,905,306 | 1,879,474 |

Notes:

1. CORPORATE INFORMATION

The interim condensed consolidated financial statements of New Century Group Hong Kong Limited (the “Company”) and its subsidiaries (hereinafter referred to as the “Group”) for the six months ended 30 September 2023 were authorised for issue in accordance with a resolution of the directors on 22 November 2023.

The Company is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activities of the Company comprise investment holding and securities trading. The principal activities of its subsidiaries comprise money lending, cruise ship charter services, property investment and securities trading. In March 2023, the directors decided to dispose of Kingston Maritime Limited (“KML”), an indirect non-wholly owned subsidiary of the Company, which is solely engaged in cruise ship charter services. Since then, the Group has discontinued its cruise ship charter services business. The disposal of KML was completed on 28 April 2023. The accompanying interim condensed consolidated financial statements and comparative figures have been re-presented to reflect the results of the discontinued operation separately.

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

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 September 2023 are unaudited and have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2023.

The unaudited interim condensed consolidated financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand (“HK\$’000”), except when otherwise stated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

| | |
|--|---|
| HKFRS 17 | <i>Insurance Contracts</i> |
| Amendments to HKFRS 17 | <i>Insurance Contracts</i> |
| Amendment to HKFRS 17 | <i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</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 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 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 April 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated 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. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 April 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

- (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 Group has applied the amendments on temporary differences related to leases as at 1 April 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 April 2022, if any.

Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right of-use assets as at 1 April 2022.

The adoption of amendments to HKAS 12 did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the interim condensed consolidated statements of cash flows for the six months ended 30 September 2023 and 2022.

- (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. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. 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, corporate income as well as corporate expenses are excluded from such measurement.

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

| | Money lending | | Property investment | | Securities trading | | Total | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 |
| Segment revenue | | | | | | | | |
| Revenue from external customers | 35,972 | 34,538 | 7,916 | 7,753 | (116) | (13,272) | 43,772 | 29,019 |
| Intersegment sales | - | - | 1,260 | 1,535 | - | - | 1,260 | 1,535 |
| Other income | 41 | 804 | - | 24 | 24 | - | 65 | 828 |
| | 36,013 | 35,342 | 9,176 | 9,312 | (92) | (13,272) | 45,097 | 31,382 |
| <i>Reconciliation:</i> | | | | | | | | |
| Elimination of intersegment sales | | | | | | | (1,260) | (1,535) |
| Total revenue and other income from continuing operations | | | | | | | 43,837 | 29,847 |
| Segment results | 30,430 | 28,152 | 14,045 | 7,926 | (101) | (13,287) | 44,374 | 22,791 |
| <i>Reconciliation:</i> | | | | | | | | |
| Bank interest income | | | | | | | 7,017 | 661 |
| Corporate and other unallocated income | | | | | | | 10 | 448 |
| Corporate and other unallocated expenses | | | | | | | (14,286) | (12,811) |
| Profit before tax from continuing operations | | | | | | | 37,115 | 11,089 |

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 period.

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

| | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 (Restated) |
|---|--|---|
| Revenue | | |
| Interest income from mortgage loans and unsecured personal loans | 35,972 | 34,538 |
| Gross rental income from investment properties | 7,916 | 7,753 |
| Fair value losses on equity investments at fair value through profit or loss, net | (247) | (18,579) |
| Dividend income from equity investments at fair value through profit or loss | 131 | 5,307 |
| | 43,772 | 29,019 |
| Other income | | |
| Bank interest income | 7,017 | 661 |
| Government grants (<i>Note</i>) | – | 1,271 |
| Others | 75 | 5 |
| | 7,092 | 1,937 |

Note:

In the prior period, government grants were received 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):

| | 2023 (Unaudited) <i>HK\$'000</i> | 2022 (Unaudited) <i>HK\$'000</i> (Restated) |
|---|--|--|
| Depreciation | 2,819 | 3,037 |
| Employee benefit expense (including directors' remuneration) | 9,729 | 9,114 |
| Provision for/(reversal of) impairment losses on loan and interest receivables, net | (339) | 1,182 |
| Provision for impairment losses on repossessed assets, net | 353 | 145 |
| | ===== | ===== |

7. INCOME TAX

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

| | 2023 (Unaudited) <i>HK\$'000</i> | 2022 (Unaudited) <i>HK\$'000</i> |
|--|--|--|
| Current – Hong Kong | | |
| Charge for the period | 5,061 | 4,245 |
| Current – Elsewhere | | |
| Charge for the period | 88 | 70 |
| Deferred | 450 | 1,527 |
| | ===== | ===== |
| Total tax charge for the period from continuing operations | 5,599 | 5,842 |

8. DISCONTINUED OPERATION

In March 2023, the directors decided to dispose of KML, an indirect non-wholly owned subsidiary of the Company, which is solely engaged in cruise ship charter services. Since then, the Group has discontinued its cruise ship charter services business. The Group has decided to discontinue its cruise ship charter services business because it plans to focus its resources on other principal businesses. The disposal of KML was completed on 28 April 2023. 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"). Therefore, the cruise ship charter services business is no longer in the note for operating segment information.

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

| | 2023 (Unaudited) <i>HK\$'000</i> | 2022 (Unaudited) <i>HK\$'000</i> |
|---|--|--|
| Revenue | 705 | 1,015 |
| Cost of services provided | <u>–</u> | <u>(3,273)</u> |
| Gross profit/(loss) | 705 | (2,258) |
| Administrative and operating expenses | (1,236) | (9,836) |
| Foreign exchange differences, net | – | 112 |
| Deficit on revaluation of a cruise ship | <u>–</u> | <u>(10)</u> |
| Loss for the period from the Discontinued Operation | (531) | (11,992) |
| Gain on disposal of a subsidiary (<i>note 14</i>) | <u>9,834</u> | <u>–</u> |
| | <u>9,303</u> | <u>(11,992)</u> |
| Attributable to: | | |
| Owners of the Company | 5,442 | (7,195) |
| Non-controlling interest | <u>3,861</u> | <u>(4,797)</u> |
| | <u>9,303</u> | <u>(11,992)</u> |

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

| | 2023 (Unaudited) <i>HK\$'000</i> | 2022 (Unaudited) <i>HK\$'000</i> |
|--|--|--|
| Operating activities | (23) | (9) |
| Financing activities | <u>–</u> | <u>(84)</u> |
| Net cash outflow | <u>(23)</u> | <u>(93)</u> |
| Earnings/(loss) per share: | | |
| Basic, from the Discontinued Operation | HK0.09 cents | HK(0.12) cents |
| Diluted, from the Discontinued Operation | <u>HK0.09 cents</u> | <u>HK(0.12) cents</u> |

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

| | 2023 (Unaudited) | 2022 (Unaudited) |
|--|-----------------------------|----------------------|
| Profit/(loss) attributable to ordinary equity holders of the Company from the Discontinued Operation | HK\$5,442,000 | HK\$(7,195,000) |
| Number of ordinary shares in issue during the period used in the basic and diluted earnings/(loss) per share calculation (<i>note 9</i>) | <u>5,780,368,705</u> | <u>5,780,368,705</u> |

9. 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 period attributable to ordinary equity holders of the Company, and the number of ordinary shares of 5,780,368,705 (2022: 5,780,368,705) in issue during the period.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 30 September 2023 and 2022 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 and diluted earnings/(loss) per share is based on:

| | 2023 (Unaudited) <i>HK\$'000</i> | 2022 (Unaudited) <i>HK\$'000</i> (Restated) |
|---|---|--|
| Earnings/(loss) | | |
| Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculation | | |
| From continuing operations | 20,188 | (1,430) |
| From the Discontinued Operation | <u>5,442</u> | <u>(7,195)</u> |
| | <u>25,630</u> | <u>(8,625)</u> |
| | 2023 (Unaudited) | 2022 (Unaudited) |
| Shares | | |
| Number of ordinary shares in issue during the period, used in the basic and diluted earnings/(loss) per share calculation | <u>5,780,368,705</u> | <u>5,780,368,705</u> |

10. LEASE RECEIVABLES

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 collaterals held by the Group as security is deposits received from tenants with an aggregate value of approximately HK\$3,504,000 (31 March 2023: HK\$3,431,000).

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

| | 30 September 2023 (Unaudited) <i>HK\$'000</i> | 31 March 2023 (Audited) <i>HK\$'000</i> |
|----------------|---|--|
| Within 1 month | 521 | 265 |
| 1 to 2 months | 373 | 46 |
| 2 to 3 months | 46 | 46 |
| Over 3 months | 138 | – |
| | <hr/> 1,078 <hr/> | <hr/> 357 <hr/> |

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.

11. LOAN AND INTEREST RECEIVABLES

| | 30 September 2023 (Unaudited) HK\$'000 | 31 March 2023 (Audited) HK\$'000 |
|---|---|---|
| Loan and interest receivables | 783,908 | 827,996 |
| Less: Provision for impairment losses on loan and interest receivables | (4,234) | (4,573) |
| Loan and interest receivables, net of provision | 779,674 | 823,423 |
| Less: Non-current portion | (145,775) | (167,711) |
| Current portion | 633,899 | 655,712 |

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.

As at 30 September 2023, except for loan and interest receivables of HK\$11,362,000 (31 March 2023: HK\$14,998,000), which are unsecured, bear interest and are repayable with fixed terms agreed with customers, all loan and interest receivables are secured by collaterals 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.

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:

| | 30 September 2023 (Unaudited) HK\$'000 | 31 March 2023 (Audited) HK\$'000 |
|--------------------------------|---|---|
| Current | 633,899 | 655,712 |
| Over 1 year and within 5 years | 96,868 | 113,752 |
| Over 5 years | 48,907 | 53,959 |
| | 779,674 | 823,423 |

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | 30 September 2023 (Unaudited) HK\$'000 | 31 March 2023 (Audited) HK\$'000 |
|--------------------------------|---|---|
| Prepayments | 1,371 | 2,161 |
| Deposits and other receivables | 5,944 | 5,361 |
| | 7,315 | 7,522 |
| Less: Non-current portion | (459) | (546) |
| Current portion | 6,856 | 6,976 |

Deposits and other receivables mainly represented building management fee deposits and professional fees paid on behalf of borrowers. Where applicable, an impairment analysis is performed at each reporting date by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 30 September 2023 and 31 March 2023, the loss allowances were assessed to be minimal.

13. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

| | 30 September 2023 (Unaudited) HK\$'000 | 31 March 2023 (Audited) HK\$'000 |
|---|---|---|
| Accruals | 2,749 | 3,040 |
| Other payables and deposits received | 5,534 | 6,549 |
| | 8,283 | 9,589 |
| Portion classified as non-current liabilities | (1,220) | (1,184) |
| Current portion | 7,063 | 8,405 |

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

14. DISPOSAL OF A SUBSIDIARY

| | 2023 (Unaudited) HK\$'000 |
|--|---------------------------------|
| Net assets disposed of: | |
| Property, plant and equipment | 66,075 |
| Accruals and other payables (<i>Note</i>) | <u>(21,790)</u> |
| | 44,285 |
| Exchange translation reserve | (9,487) |
| Disposal expenses incurred | 350 |
| Gain on disposal of a subsidiary (<i>note 8</i>) | <u>9,834</u> |
| | <u>44,982</u> |
| Satisfied by: | |
| Cash | <u>44,982</u> |

Note:

Included in the accruals and other payables was an amount due to a non-controlling shareholder of the Group's subsidiary, New Century Cruise Line International Limited of 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:

| | 2023 (Unaudited) HK\$'000 |
|----------------------------|---------------------------------|
| Cash consideration | 44,982 |
| Disposal expenses incurred | <u>(350)</u> |
| | <u>44,632</u> |

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2023 (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Despite ongoing challenges and uncertainties, the global and regional economies showed signs of resilience and gradual recovery. In Hong Kong, consumer spending in the first nine months of 2023 rebounded to nearly 90% of pre-pandemic levels; however, there was still a lack of significant growth opportunities in sight, along with the government's downward revision of the economic growth forecast in 2023 to 3.2% from an earlier estimate of 4.0% to 5.0% range, which further highlighted the challenges posed by geopolitical tensions, the aftermath of COVID-19 restrictions and the weakening global trade environment. These factors will continue to weigh on the economy's outlook and present downside risks.

In March 2023, the Group made a strategic decision to discontinue its cruise ship charter services business. On 28 April 2023, the Group disposed of all of its equity and beneficial interest in Kingston Maritime Limited (“KML”), an indirect non-wholly owned subsidiary of the Company, and the principal asset of which was a cruise ship “Aegean Paradise”. The strategic decision to dispose of KML and discontinue the cruise ship charter services business has yielded positive results. While the Group still recorded a minimal loss from the business in the current financial period, it was significantly lower than that in previous periods.

Following the divestment of the cruise ship, the Group continued to focus on its core operations in money lending and property investment, and recorded a profit attributable to the owners of the Company of HK\$25,630,000 during the six months ended 30 September 2023 (the “Period”) (2022: a loss of HK\$8,625,000), reflecting the effectiveness of its strategic initiatives and the resilience of its business model.

Financial Review

Revenue

The Group's revenue increased by 50.8% to HK\$43,772,000 for the Period (2022: HK\$29,019,000 (Restated)). The increase in revenue was mainly attributable to (i) an increase in interest income earned from money lending business by HK\$1,434,000 to HK\$35,972,000 (2022: HK\$34,538,000) and (ii) a significant decrease in fair value losses recognised on listed equity investments by HK\$18,332,000 to HK\$247,000 (2022: HK\$18,579,000) which was partially offset by a decrease in dividend income received from listed equity investments by HK\$5,176,000 to HK\$131,000 (2022: HK\$5,307,000).

Other Income

Other income of HK\$7,092,000 was recorded for the Period (2022: HK\$1,937,000). The increase in other income was mainly due to a significant increase in bank interest income by HK\$6,356,000 to HK\$7,017,000 (2022: HK\$661,000) which resulted from the high interest rates offered by banks for placement of time deposits. In the prior period, 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 and Technology Fund, respectively. However, no such government grants were received during the Period.

Administrative and Operating Expenses

The administrative and operating expenses 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.

For the Period, administrative and operating expenses of HK\$21,507,000 were incurred by the Group, which increased by 5.3% compared to HK\$20,432,000 (Restated) last period. The increase in administrative and operating expenses was mainly due to (i) an increase in employee benefit expense (including directors' remuneration) by HK\$615,000 and (ii) the overseas travelling expenses of HK\$418,000 incurred during the Period after the lifting of the compulsory quarantine requirement for inbound persons from overseas places by the Government of the Hong Kong Special Administrative Region (the "Government of the HKSAR") on 26 September 2022.

Fair Value Gains on Investment Properties, Net

The Group recorded fair value gains on investment properties of HK\$8,320,000 in the property investment business for the Period (2022: HK\$1,896,000), which was the net effect of fair value gains of HK\$11,620,000 (2022: HK\$7,896,000) on the investment properties in Singapore and fair value losses of HK\$3,300,000 (2022: HK\$6,000,000) on the investment properties in Hong Kong.

Reversal of/(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 recorded a net reversal of provision for impairment losses of HK\$339,000 on loan and interest receivables for the Period (2022: a provision of HK\$1,182,000).

Below is the breakdown of reversal of/(provision for) impairment losses on loans and interest receivables recorded for mortgage loans and unsecured personal loans for the six months ended 30 September 2023 and 2022:

| | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 |
|--------------------------|--|---------------------------------|
| Mortgage loans | (417) | (753) |
| Unsecured personal loans | <u>756</u> | <u>(429)</u> |
| | <u>339</u> | <u>(1,182)</u> |

Provision for Impairment Losses on Repossessed Assets, Net

The Group recorded a net provision for impairment losses of HK\$353,000 on repossessed assets of mortgage loans in the money lending business for the Period (2022: HK\$145,000).

Profit/(Loss) Attributable to Owners of the Company

The Group recorded a profit attributable to owners of the Company of HK\$25,630,000 for the Period (2022: a loss of HK\$8,625,000). Such turnaround from a loss to a profit was mainly attributable to (i) a gain of HK\$9,834,000 on disposal of the discontinued operation of cruise ship charter services (2022: Nil); (ii) a decrease in loss from the discontinued operation of cruise ship charter services by HK\$11,461,000 to HK\$531,000 (2022: HK\$11,992,000 (Restated)); (iii) a decrease in loss from securities trading business by HK\$13,186,000 to HK\$101,000 (2022: HK\$13,287,000); (iv) an increase in fair value gains on investment properties by HK\$6,424,000 to HK\$8,320,000 (2022: HK\$1,896,000); and (v) an increase in bank interest income by HK\$6,356,000 to HK\$7,017,000 (2022: HK\$661,000).

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, which is a licensed money lender in Hong Kong registered 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 aims to provide 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 or corporations. During the Period, the Group granted mortgage loans to individuals or corporations with principal amounts ranging from HK\$900,000 to HK\$55,000,000 (2022: HK\$300,000 to HK\$41,000,000) at interest rates ranging from 8.0% to 11.0% per annum (2022: 8.0% to 13.5% per annum) with the maturity profiles from 12 to 180 months (2022: 12 to 240 months).

The Group also provides a small portion of unsecured personal loans to individuals who are mainly owners of real estate assets under the Home Ownership Scheme and the Tenant Purchase Scheme, as well as private residential properties. During the Period, the Group granted unsecured personal loans to individuals with principal amounts ranging from HK\$320,000 to HK\$1,200,000 (2022: HK\$300,000 to HK\$1,200,000) at interest rates ranging from 20.0% to 21.0% per annum (2022: 18.0% to 21.0% per annum) with the maturity profiles from 48 to 120 months (2022: 36 to 120 months).

As at 30 September 2023, the Group had loan and interest receivables of HK\$779,674,000, representing a decrease of 5.3% compared to HK\$823,423,000 as at 31 March 2023. Among these, there were 112 mortgage loan customers (31 March 2023: 115 customers) with loan and interest receivables of HK\$769,864,000 (31 March 2023: HK\$810,733,000) and 21 unsecured personal loan customers (31 March 2023: 28 customers) with loan and interest receivables of HK\$9,810,000 (31 March 2023: HK\$12,690,000), representing 98.7% (31 March 2023: 98.5%) and 1.3% (31 March 2023: 1.5%) of the total loan and interest receivables respectively.

In terms of the Group's loan and interest receivables of HK\$779,674,000 as at 30 September 2023 (31 March 2023: HK\$823,423,000), the loan and interest receivables from the largest customer and the five largest customers accounted for 7.1% (31 March 2023: 8.1%) and 25.6% (31 March 2023: 26.0%) respectively.

The Group recorded an increase of 4.2% in interest income from the money lending business to HK\$35,972,000 for the Period compared to HK\$34,538,000 last period. The increase was due to the increase in interest income from mortgage loans by HK\$1,674,000 to HK\$34,638,000 (2022: HK\$32,964,000), which was partially offset by the decrease in interest income from unsecured personal loans by HK\$240,000 to HK\$1,334,000 (2022: HK\$1,574,000). The increase in interest income from mortgage loans and the decrease in interest income from unsecured personal loans were primarily due to an increase in average balance of mortgage loan receivables and a decrease in average balance of unsecured personal loan receivables, respectively.

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*. In view of the weakened property market in Hong Kong, the fair value of the mortgaged properties declined. The Group recorded a provision for impairment losses of HK\$417,000 on mortgaged loan and interest receivables for the Period (2022: HK\$753,000). Since there was a drop in the total amount of unsecured personal loans, particularly those classified under stage 3 (credit-impaired), the Group recorded a reversal of provision for impairment losses of HK\$756,000 on unsecured personal loans for the Period (2022: a provision of HK\$429,000).

The money lending segment recorded an increase in profit by 8.1% to HK\$30,430,000 for the Period (2022: HK\$28,152,000).

Property Investment

In light of the challenging office market conditions in Hong Kong, the Government of the HKSAR decided to temporarily halt the sale of commercial land in the fiscal third quarter ending 31 December 2023 due to the high office vacancy rate, which averaged at 10% or higher, implying the downward pressure on rental rates and the subsequent impact on the fair value of the Group's Hong Kong investment properties. Fortunately, during the Period, the Group successfully maintained a stable occupancy rate for its Hong Kong investment properties, while its Singapore investment properties recorded positive fair value gains, demonstrating the strengths of its property management and leasing strategies in mitigating negative effects and maintaining a steady income stream.

The Group's segment revenue from property investment increased by 2.1% to HK\$7,916,000 (2022: HK\$7,753,000). The rental income from investment properties in Hong Kong remained stable at HK\$6,641,000 for the Period (2022: HK\$6,668,000). The rental income from investment properties in Singapore recorded an increase of 17.5% to HK\$1,275,000 (2022: HK\$1,085,000), which was resulted from an increase in rental rates charged to tenants of conservation shophouses upon the renewal of their tenancy agreements during the Period.

At the end of each reporting date, investment properties are revalued at fair value. Net fair value gains of HK\$8,320,000 on investment properties were recorded for the Period (2022: HK\$1,896,000). The investment properties in Hong Kong recorded fair value losses of HK\$3,300,000 for the Period (2022: HK\$6,000,000) while the investment properties in Singapore recorded fair value gains of HK\$11,620,000 for the Period (2022: HK\$7,896,000).

As a result, the property investment segment recorded an increase in profit by 77.2% to HK\$14,045,000 for the Period (2022: HK\$7,926,000).

For the Period, the Group's investment properties achieved an average occupancy rate of 98.5% (31 March 2023: 99.5%) with an average annual rental yield of 2.9% (31 March 2023: 2.8%).

Securities Trading

The Group's portfolio of equity investments consisted of the blue chips in the Hong Kong stock market. During the Period, the stock market in Hong Kong has been facing significant challenges, including a decline in equity investments, attributed to China's economic prospects, the struggling property sector and crackdowns on private enterprise. The Hang Seng Index experienced a peak of 22,701 in late January 2023 but has since declined and fluctuated around 17,000. This downward trend has been accompanied by a decrease in daily turnover, which has fallen below HK\$80 billion on multiple occasions since the second quarter, halving from an average daily turnover of HK\$160 billion observed in 2021. As a result, the Group adjusted its strategy to maintain a small quantum of equity investments portfolio as at 30 September 2023.

Benefiting from strategy adjustment, the securities trading segment recorded a significant decrease in loss by 99.2% to HK\$101,000 for the Period (2022: HK\$13,287,000). The decrease in loss was mainly attributable to the net effect on the fair value losses of HK\$247,000 (2022: HK\$18,579,000) on equity investments at fair value through profit or loss ("FVTPL"), and the dividend income of HK\$131,000 (2022: HK\$5,307,000) from equity investments at FVTPL.

As at 30 September 2023, the Group's equity investments at FVTPL amounted to HK\$15,054,000 (31 March 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 assets value of the Group. The details of the Group's equity investments at FVTPL as at 30 September 2023 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 | 4,862 | 0.25 |
| China Mobile Limited (0941) | 60,000 | 0.0003 | 3,921 | 3,942 | 0.21 |
| Ping An Insurance (Group) Company of China, Ltd. (2318) | 60,000 | 0.0008 | 3,004 | 2,688 | 0.14 |
| Bank of China Limited (3988) | 1,300,000 | 0.0016 | 3,615 | 3,562 | 0.19 |
| | | | 15,325 | 15,054 | 0.79 |

Contingent Liabilities

As at 30 September 2023, the Company had outstanding corporate guarantee of HK\$70,000,000 (31 March 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 at the end of the reporting period (31 March 2023: Nil).

Pledge of Assets

As at 30 September 2023, the Group's self-occupied office units and a car park unit at Shun Tak Centre with an aggregate net book value of HK\$111,029,000 (31 March 2023: HK\$113,378,000) and listed equity investments with fair value of HK\$15,054,000 (31 March 2023: Nil) were pledged to banks and securities dealers for aggregate loan facilities of HK\$80,725,000 (31 March 2023: HK\$70,000,000) granted to the Group.

As at 30 September 2023, the Group did not use any loan facility (31 March 2023: Nil).

Liquidity and Financial Resources

The Group maintained a sound financial condition. As at 30 September 2023, the Group had net current assets of HK\$1,108,421,000 (31 March 2023: HK\$1,060,608,000) and equity attributable to owners of the Company worth HK\$1,562,646,000 (31 March 2023: HK\$1,548,147,000).

As at 30 September 2023, the aggregate cash and cash equivalents of the Group were approximately HK\$447,659,000 (31 March 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 30 September 2023 was approximately HK\$24,087,000 (31 March 2023: approximately HK\$71,823,000). During the Period, 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 30 September 2023, the Group had an amount due to an intermediate holding company of HK\$80,000,000 (31 March 2023: HK\$80,000,000) which was unsecured, interest-free and repayable on demand.

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

Gearing Ratio

The Group's gearing ratio, calculated as total indebtedness divided by equity attributable to owners of the Company, was 6.7% as at 30 September 2023 (31 March 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

Equity Price Risk

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

Foreign Currency Risk

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

Credit Risk

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

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

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

Share Option Scheme

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

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

As at 1 April 2023, the Company had 116,200,000 outstanding share options under the Share Option Scheme. During the Period, all such outstanding share options lapsed due to the expiry of the exercise period on 3 September 2023. An aggregate amount of HK\$5,068,000 was transferred from the share option reserve to retained profits upon the lapse of the share options.

As at 30 September 2023, there were no outstanding share options.

Employees and Remuneration

As at 30 September 2023, the Group had a total of 33 staff (31 March 2023: 31), including 7 executive directors (31 March 2023: 6) but excluding 4 independent non-executive directors (31 March 2023: 3). The employee benefit expense (including directors' emoluments) was HK\$9,729,000 for the Period (2022: HK\$9,114,000). 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 as vendor entered into a sale and purchase agreement with an independent third party as purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to acquire the entire issued share capital (the "Sale Share") of KML and the shareholder's loan (the "Sale Loan") owed by KML to the vendor at a consideration of S\$7,650,000 (equivalent to approximately HK\$44,982,000). KML was solely engaged in cruise ship charter services and the principal asset of which was the cruise ship "Aegean Paradise". The Group recorded a gain on disposal of a subsidiary of approximately HK\$9,834,000. The disposal of the Sale Share and the Sale Loan constituted a disclosable transaction and was subject to the reporting and announcement requirements under the Listing Rules. For details of 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 to HK\$531,000 for the Period (2022: HK\$11,992,000).

As disclosed above and elsewhere in this announcement, the Group had no significant investments held, material acquisitions and disposals of subsidiaries and associates during the Period.

Prospects

While the recent easing of stamp duties and other measures announced by the Government of the HKSAR in October 2023 are expected to stimulate the property market, it is important to note that these measures alone may not be sufficient to achieve a significant boost. Given the potential benefits, challenges and risks still persist in the overall economic environment.

However, the Group remains confident in its ability to navigate these challenges and capitalise on the opportunities presented by the government initiatives. With its focus on money lending and property investment, the Group is well-positioned to benefit from any potential revival in the property market. Additionally, its presence in both Hong Kong and Singapore allows it to leverage the opportunities arising from other factors such as favorable regulatory environments and strong economic growth in the regions.

Going forward, the Group will continue to build on the positive momentum it has achieved and drive sustainable growth in its core operations, delivering long-term value for its shareholders in an evolving market landscape.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2023, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 September 2023.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 September 2023 have been reviewed by the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The Board, through the audit committee, has also conducted a review of the internal control and the interim report for the six months ended 30 September 2023.

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

Hong Kong, 22 November 2023

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