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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)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
VESSELS CHARTERING**

THE CHARTER AGREEMENTS

On 10 May 2018 (after trading hours of the Stock Exchange), Jackston Maritime, Queenston Maritime and Kingston Maritime, each being an indirect non-wholly owned subsidiary of the Company, entered into the Charter Agreements with Everwin Cruise respectively. Pursuant to the Charter Agreements, Jackston Maritime, Queenston Maritime and Kingston Maritime agreed to charter the Vessels to Everwin Cruise for a period commencing from 1 July 2018 and ending on 31 March 2021 for a daily charter fee of S\$8,200 (approximately HK\$47,806), S\$16,500 (approximately HK\$96,195) and S\$26,800 (approximately HK\$156,244), respectively.

LISTING RULE IMPLICATIONS

Everwin Cruise is wholly owned by Mr. Huang. As at the date of this announcement, (i) 373,492,000 Shares are held by Mr. Huang; (ii) 3,455,753,691 Shares are held by New Century Investment, which is ultimately owned by Huang Group under a discretionary trust of which Mr. Huang is the settlor and the trustee; and (iii) 308,992,000 Shares are held by New Century (Huang's) Foundation Limited, a company limited by guarantee being a charitable institution of public character, of which Mr. Huang is a member. Accordingly, Mr. Huang is deemed to be interested in a total of 4,138,237,691 Shares, representing approximately 71.59% of the issued share capital of the Company. Everwin Cruise is therefore a connected person of the Company and the Transactions constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

* For identification purpose only

As the applicable percentage ratios for the Annual Caps in relation to the Transactions are higher than 5%, the Transactions and the Annual Caps in relation thereto are subject to the reporting, announcement, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Crescendo has been appointed by the Company as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Transactions and the Annual Caps in relation thereto. The Independent Board Committee, comprising all the independent non-executive Directors, has been appointed to advise the Independent Shareholders on whether or not the Transactions and the Annual Caps in relation thereto are in the interests of the Company and are fair and reasonable so far as the Independent Shareholders are concerned.

GENERAL

The SGM will be convened by the Company at which an ordinary resolution will be proposed to seek the approval of the Independent Shareholders for the Charter Agreements, the transactions contemplated thereunder and the Annual Caps in relation thereto by poll.

A circular containing, inter alia, (a) further information on the Transactions and the Annual Caps; (b) a letter of advice from Crescendo to the Independent Board Committee and the Independent Shareholders; (c) a letter of recommendation from the Independent Board Committee; and (d) a notice of the SGM is expected to be despatched to the Shareholders on or before 4 June 2018 so as to allow sufficient time for preparation of the information to be included in the circular.

THE CHARTER AGREEMENTS

The Board is pleased to announce that, on 10 May 2018 (after trading hours of the Stock Exchange), Jackston Maritime, Queenston Maritime and Kingston Maritime, each being an indirect non-wholly owned subsidiary of the Company, entered into the Charter Agreements with Everwin Cruise respectively. Pursuant to the Charter Agreements, Jackston Maritime, Queenston Maritime and Kingston Maritime agreed to charter the Vessels to Everwin Cruise for a period commencing from 1 July 2018 and ending on 31 March 2021.

Principal terms of the Charter Agreements are set out below:

	Amusement World Agreement	Leisure World Agreement	Aegean Paradise Agreement
Date:	10 May 2018	10 May 2018	10 May 2018
Parties to the Charter Agreements:	(i) Jackston Maritime (as Owner); (ii) Everwin Cruise (as Charterer)	(i) Queenston Maritime (as Owner); (ii) Everwin Cruise (as Charterer)	(i) Kingston Maritime (as Owner); (ii) Everwin Cruise (as Charterer)

Everwin Cruise is wholly owned by Mr. Huang. As at the date of this announcement, (i) 373,492,000 Shares are held by Mr. Huang; (ii) 3,455,753,691 Shares are held by New Century Investment, which is ultimately owned by Huang Group under a discretionary trust of which Mr. Huang is the settlor and the trustee; and (iii) 308,992,000 Shares are held by New Century (Huang's) Foundation Limited, a company limited by guarantee being a charitable institution of public character, of which Mr. Huang is a member. Accordingly, Mr. Huang is deemed to be interested in a total of 4,138,237,691 Shares, representing approximately 71.59% of the issued share capital of the Company. Everwin Cruise is therefore a connected person of the Company and the Transactions constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Vessels:	“Amusement World”	“Leisure World”	“Aegean Paradise”
Terms:	Everwin Cruise will charter the respective Vessel from Jackston Maritime, Queenston Maritime and Kingston Maritime commencing on 1 July 2018 (or whenever a later date the Vessels are delivered by the Owners) until 31 March 2021 provided that either party may terminate their respective Charter Agreement by serving on the other party not less than thirty (30) days' written notice of termination.		
Deposit:	S\$492,000 (equivalent to approximately HK\$2,868,360)	S\$990,000 (equivalent to approximately HK\$5,771,700)	S\$1,608,000 (equivalent to approximately HK\$9,374,640)

Everwin Cruise shall pay the Owners security deposit in the amount set out above on or before delivery of the Vessels for due performance and compliance with the Charter Agreements. In the event that the Charterer fully complies with all its obligations under the Charter Agreements, the deposits shall be returned to the Charterer without interests within thirty (30) days after the re-delivery of the Vessels to the Owners or within thirty (30) days of the settlement of the last outstanding claim by the Owners against the Charterer whichever is the later.

Condition: Unless expressly waived by the Stock Exchange or is exempted under the Listing Rules, each of the Charter Agreements is conditional on the approval of the respective Charter Agreement and the transactions contemplated thereunder by the Independent Shareholders of the Company at the SGM in accordance with the Listing Rules on or before 29 June 2018 or such later date as may be agreed by the parties thereto in writing.

Charter fees and payments:

Pursuant to the Charter Agreements, Everwin Cruise will pay a daily charter fee of S\$8,200 (approximately HK\$47,806), S\$16,500 (approximately HK\$96,195) and S\$26,800 (approximately HK\$156,244) to Jackston Maritime, Queenston Maritime and Kingston Maritime respectively.

Each of Jackston Maritime, Queenston Maritime and Kingston Maritime shall waive (i) the charter fees for twelve (12) days payable by Everwin Cruise during the calendar month July of the year 2018 and the charter fees for fifteen (15) days payable by Everwin Cruise during the calendar month April of each of the years 2019 and 2020; and (ii) the charter fees payable by Everwin Cruise during the period of periodical dry-docking in accordance with the terms of the Charter Agreements. In the event that such periodical dry-docking was conducted in any of the calendar month July of the year 2018 or calendar month April of each of the years 2019 and 2020, the respective hire-free period referred to in (i) above shall be postponed to the calendar month after the completion of such periodical dry-docking.

Subject to the terms of the Charter Agreements, the charter fees shall be payable monthly in advance and the first of such payments (covering the period from the date of delivery of the Vessel to the end of that calendar month) shall be made on the date of the Vessel's delivery to the Charterer. Subsequent monthly payments (covering the period from the first day of that month to the last day of that month) shall be made on the first business day (in Singapore) of each calendar month thereafter until termination of the charter therein.

Set out below are the aggregate charter fees payable by Everwin Cruise based on the aforesaid daily charter fees for the relevant years/period:

- (i) the aggregate charter fee payable to Jackston Maritime by Everwin Cruise in respect of chartering the vessel “Amusement World”

Period	Aggregate charter fee	
	<i>S\$</i>	<i>HK\$ equivalent (approximately)</i>
1 July 2018 to 31 March 2019	2,148,400	12,525,172
1 April 2019 to 31 March 2020	2,878,200	16,779,906
1 April 2020 to 31 March 2021	2,870,000	16,732,100

- (ii) the aggregate charter fee payable to Queenston Maritime by Everwin Cruise in respect of chartering the vessel “Leisure World”

Period	Aggregate charter fee	
	<i>S\$</i>	<i>HK\$ equivalent (approximately)</i>
1 July 2018 to 31 March 2019	4,323,000	25,203,090
1 April 2019 to 31 March 2020	5,791,500	33,764,445
1 April 2020 to 31 March 2021	5,775,000	33,668,250

- (iii) the aggregate charter fee payable to Kingston Maritime by Everwin Cruise in respect of chartering the vessel “Aegean Paradise”

Period	Aggregate charter fee	
	<i>S\$</i>	<i>HK\$ equivalent (approximately)</i>
1 July 2018 to 31 March 2019	7,021,600	40,935,928
1 April 2019 to 31 March 2020	9,406,800	54,841,644
1 April 2020 to 31 March 2021	9,380,000	54,685,400

Annual Caps and basis of determination:

The maximum amounts of the aggregate charter fees under the Charter Agreements payable to Jackston Maritime, Queenston Maritime and Kingston Maritime by Everwin Cruise shall be:

Period	Aggregate charter fee	
	<i>S\$</i>	<i>HK\$ equivalent (approximately)</i>
For the financial year ending 31 March 2019	13,493,000	78,664,190
For the financial year ending 31 March 2020	18,076,500	105,385,995
For the financial year ending 31 March 2021	18,025,000	105,085,750

The Annual Caps have been determined by the relevant number of days in the relevant years/period multiplied by the daily charter fees pursuant to the Charter Agreements. The daily charter fees have been determined with reference to (i) the valuation of the Vessels by Vigers Appraisal and Consulting Limited, an independent valuer, as at 31 March 2018; (ii) the historical five-year average return with the existing charterers of the Vessels; and (iii) the depreciation and drydock expense adjustment.

INFORMATION OF THE OWNERS

As at the date of this announcement, each of Jackston Maritime, Queenston Maritime, and Kingston Maritime is indirectly owned as to 60% by the Company. Each of the remaining 40% equity interest in Jackston Maritime, Queenston Maritime and Kingston Maritime is indirectly owned by New Century Cruise Line, an indirect wholly-owned subsidiary of Huang Group.

Jackston Maritime is an investment holding company whose principal asset is the vessel “Amusement World”. Its principal business is chartering “Amusement World”, which was built in 1967 with a carrying capacity of 1,100 persons and has been operating as a cruise liner from Singapore, Malaysia and Indonesia for 20 years.

Queenston Maritime is an investment holding company whose principal asset is the vessel “Leisure World”. Its principal business is chartering “Leisure World”, which was built in 1969 with a carrying capacity of 1,500 persons and has been operating as a cruise liner from Singapore, Malaysia and Indonesia for 24 years.

Kingston Maritime is an investment holding company whose principal asset is the vessel “Aegean Paradise”. Its principal business is chartering “Aegean Paradise”, which was built in 1990 with a carrying capacity of 1,600 persons and has been operating as a cruise liner from Singapore, Malaysia and Indonesia for 3 years.

The Vessels possess accommodation, dining facilities and function rooms. Other facilities include gaming rooms (casino), child care facilities, beauty salons, massage facilities, exercise facilities, lounges, bars, entertainment and shopping facilities. The Vessels attract customers from the Asian region.

The existing charter agreements in relation to the Vessels entered into between Independent Third Parties and Jackston Maritime, Queenston Maritime and Kingston Maritime respectively will be determined on 30 June 2018.

INFORMATION OF THE CHARTERER

Everwin Cruise is wholly owned by Mr. Huang and is a company incorporated in the BVI with limited liability. It is principally engaged in cruise operations.

REASONS FOR AND BENEFITS OF ENTERING THE CHARTER AGREEMENTS

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

The existing charter agreements in relation to the Vessels entered into between Independent Third Parties and Jackston Maritime, Queenston Maritime and Kingston Maritime respectively will be determined on 30 June 2018. Given that vessel-chartering is one of the principal activities of the Group, the Directors believe that by entering into the Charter Agreements, the Group can benefit from securing its revenue and profit from chartering the Vessels.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) are of the view that the Transactions are and will be entered into in the ordinary and usual course of business of the Group and are and will be on normal commercial terms and the terms thereof and the Annual Caps in relation to the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

Everwin Cruise is wholly owned by Mr. Huang. As at the date of this announcement, (i) 373,492,000 Shares are held by Mr. Huang; (ii) 3,455,753,691 Shares are held by New Century Investment, which is ultimately owned by Huang Group under a discretionary trust of which Mr. Huang is the settlor and the trustee; and (iii) 308,992,000 Shares are held by New Century (Huang's) Foundation Limited, a company limited by guarantee being a charitable institution of public character, of which Mr. Huang is a member. Accordingly, Mr. Huang is deemed to be interested in a total of 4,138,237,691 Shares, representing approximately 71.59% of the issued share capital of the Company. Everwin Cruise is therefore a connected person of the Company and the Transactions constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the Annual Caps in relation to the Transactions are higher than 5%, the Transactions and the Annual Caps in relation thereto are subject to the reporting, announcement, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, (i) 3,455,753,691 Shares are held by New Century Investment, which is ultimately owned by Huang Group under a discretionary trust of which Mr. Huang is the settlor and the trustee and Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda and Ms. Lilian Ng, each being an executive Director, are the discretionary beneficiaries; (ii) 308,992,000 Shares are held by New Century (Huang's) Foundation Limited, a company limited by guarantee being a charitable institution of public character, of which Mr. Huang, Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda and Ms. Lilian Ng are members and/or members of its council of management; and (iii) 373,492,000 Shares, 30,030,000 Shares, 52,000,000 Shares, 26,250,000 Shares and 26,250,000 Shares are held by Mr. Huang, Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda and Ms. Lilian Ng, respectively. New Century Investment, New Century (Huang's) Foundation Limited, Mr. Huang, Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda, Ms. Lilian Ng and their respective associates, who in aggregate held 4,272,767,691 Shares, representing approximately 73.92% of the issued share capital of the Company as at the date of this announcement, will abstain from voting on the ordinary resolution to be proposed at the SGM for the approval of the Transactions and the Annual Caps in relation thereto.

Ms. Chen Ka Chee ("Ms. Chen"), an executive Director, is interested in 8,400,000 Shares, representing approximately 0.15% of the issued share capital of the Company as at the date of this announcement, and she is also a director of Everwin Cruise. Accordingly, Ms. Chen shall abstain from voting on the ordinary resolution to be proposed at the SGM for the approval of the Transactions and the Annual Caps in relation thereto.

Save for the aforesaid, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the SGM in respect of the Transactions and the Annual Caps in relation thereto.

By virtue of their interests in the Transactions, five executive Directors, namely Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda, Ms. Lilian Ng and Ms. Chen had abstained from voting on the relevant board resolutions regarding the Transactions and the Annual Caps in relation thereto.

Crescendo has been appointed by the Company as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Transactions and the Annual Caps in relation thereto. The Independent Board Committee, comprising all the independent non-executive Directors, has been appointed to advise the Independent Shareholders on whether or not the Transactions and the Annual Caps in relation thereto are in the interests of the Company and are fair and reasonable so far as the Independent Shareholders are concerned.

GENERAL

The SGM will be convened by the Company at which an ordinary resolution will be proposed to seek the approval of the Independent Shareholders for the Charter Agreements, the transactions contemplated thereunder and the Annual Caps in relation thereto by poll.

A circular containing, inter alia, (a) further information on the Transactions and the Annual Caps; (b) a letter of advice from Crescendo to the Independent Board Committee and the Independent Shareholders; (c) a letter of recommendation from the Independent Board Committee; and (d) a notice of the SGM is expected to be despatched to the Shareholders on or before 4 June 2018 so as to allow sufficient time for preparation of the information to be included in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

- “Aegean Paradise Agreement” a charter agreement dated 10 May 2018 entered into between Kingston Maritime and Everwin Cruise for chartering the vessel “Aegean Paradise”
- “Amusement World Agreement” a charter agreement dated 10 May 2018 entered into between Jackston Maritime and Everwin Cruise for chartering the vessel “Amusement World”
- “Annual Caps” the proposed annual caps in respect of the charter fees payable by Everwin Cruise to the Group under the Charter Agreements
- “associate(s)” has the meaning ascribed to it in the Listing Rules
- “Board” the board of Directors
- “BVI” the British Virgin Islands

“Charter Agreement(s)”	the Amusement World Agreement, the Leisure World Agreement and the Aegean Paradise Agreement
“Company”	New Century Group Hong Kong Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on main board of the Stock Exchange with stock code 234
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Crescendo”	Crescendo Capital Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions and the Annual Caps in relation thereto
“Directors”	directors of the Company
“Everwin Cruise” or “Charterer”	Everwin Cruise Limited, a company incorporated in the BVI with limited liability which is wholly owned by Mr. Huang
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huang Group”	Huang Group (BVI) Limited, a company incorporated in the BVI with limited liability under a discretionary trust of which Mr. Huang is the settlor and the trustee and Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda and Ms. Lilian Ng are the discretionary beneficiaries
“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors established to make recommendation to the Independent Shareholders on the terms of the Transactions and the Annual Caps

“Independent Shareholders”	Shareholders other than New Century Investment, New Century (Huang’s) Foundation Limited, Mr. Huang, Mr. Ng Wee Keat, Ms. Sio Ion Kuan, Ms. Ng Siew Lang, Linda, Ms. Lilian Ng, Ms. Chen and their respective associates
“Independent Third Party(ies)”	company(ies) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is/are third party(ies) independent of the Company and its connected persons
“Jackston Maritime”	Jackston Maritime Limited, a company incorporated in the BVI with limited liability which is indirectly owned as to 60% by the Company and 40% by New Century Cruise Line
“Kingston Maritime”	Kingston Maritime Limited, a company incorporated in the BVI with limited liability which is indirectly owned as to 60% by the Company and 40% by New Century Cruise Line
“Leisure World Agreement”	a charter agreement dated 10 May 2018 entered into between Queenston Maritime and Everwin Cruise for chartering the vessel “Leisure World”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Ng (Huang) Cheow Leng, a controlling Shareholder of the Company, and the sole shareholder of Everwin Cruise
“New Century Cruise Line”	New Century Cruise Line International Limited, a company incorporated in the BVI with limited liability which is an indirect wholly-owned subsidiary of Huang Group
“New Century Investment”	New Century Investment Pacific Limited, a company incorporated in the BVI with limited liability, the controlling Shareholder holding approximately 59.78% interest in the Company and an indirectly wholly-owned subsidiary of Huang Group
“Owner(s)”	owner(s) of the Vessels, namely Jackston Maritime, Kingston Maritime and Queenston Maritime

“Queenston Maritime”	Queenston Maritime Limited, a company incorporated in the BVI with limited liability which is indirectly owned as to 60% by the Company and 40% by New Century Cruise Line
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Transactions and the Annual Caps in relation thereto
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“Transactions”	the transactions contemplated under the Charter Agreements
“Vessel(s)”	three cruise liners, namely “Amusement World” owned by Jackston Maritime, “Leisure World” owned by Queenston Maritime and “Aegean Paradise” owned by Kingston Maritime
“%”	per cent.

Throughout this announcement, amounts in S\$ have been translated, for illustration only, into HK\$ at the exchange rate of S\$1.00 to HK\$5.83.

On behalf of the Board
Ng Wee Keat
Chairman

Hong Kong, 10 May 2018

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.