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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 2014

The board of directors (the “Board”) of New Century Group Hong Kong Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2014, which are prepared in accordance with the basis set out in note 1 below. The condensed consolidated financial statements have not been audited, but have been reviewed by the Company’s external auditors in accordance with certain review procedures and the audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2014

	Note	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
CONTINUING OPERATIONS			
Revenue	4	87,324	31,376
Cost of services provided		<u>(7,283)</u>	<u>(5,966)</u>
Gross profit		80,041	25,410
Other income		2,556	1,366
Administrative expenses		(11,599)	(18,336)
Foreign exchange differences, net		(1,743)	(1,621)
Fair value gains on investment properties		5,090	13,027
Fair value gains/(losses) on cruise ships		(46,830)	506
Finance costs		<u>(524)</u>	<u>(430)</u>

* For identification purpose only

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)
For the six months ended 30 September 2014

	Notes	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
Profit before tax	5	26,991	19,922
Income tax expense	6	<u>(594)</u>	<u>(289)</u>
Profit for the period from continuing operations		26,397	19,633
DISCONTINUED OPERATION	7		
Loss for the period from a discontinued operation		(3,400)	(5,662)
Gain on disposal of a discontinued operation		<u>13,022</u>	–
PROFIT FOR THE PERIOD		<u>36,019</u>	<u>13,971</u>
Attributable to:			
Owners of the Company		37,398	7,607
Non-controlling interests		<u>(1,379)</u>	<u>6,364</u>
		<u>36,019</u>	<u>13,971</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic			
– For profit for the period		<u>HK0.65 cent</u>	<u>HK0.13 cent</u>
– For profit from continuing operations		<u>HK0.45 cent</u>	<u>HK0.18 cent</u>
Diluted			
– For profit for the period		<u>HK0.65 cent</u>	<u>HK0.13 cent</u>
– For profit from continuing operations		<u>HK0.45 cent</u>	<u>HK0.18 cent</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2014

	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	36,019	13,971
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>1,091</u>	<u>10,210</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>1,091</u>	<u>10,210</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>37,110</u>	<u>24,181</u>
Attributable to:		
Owners of the Company	36,109	7,110
Non-controlling interests	<u>1,001</u>	<u>17,071</u>
	<u>37,110</u>	<u>24,181</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2014

	Notes	30 September 2014 (Unaudited) HK\$'000	31 March 2014 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		90,788	102,795
Investment properties		629,120	625,300
Prepaid land premiums		–	312
Available-for-sale investments		780	780
		720,688	729,187
Total non-current assets		720,688	729,187
CURRENT ASSETS			
Inventories		–	1,193
Prepaid land premiums		–	469
Trade receivables, prepayments, deposits and other receivables	10	37,021	14,316
Equity investments at fair value through profit or loss		392,909	449,671
Due from a related company		–	174
Bank deposits		–	141,529
Cash and cash equivalents		599,846	429,464
		1,029,776	1,036,816
Total current assets		1,029,776	1,036,816
CURRENT LIABILITIES			
Derivative financial instruments		13,241	3,548
Interest-bearing bank and other borrowings		8,104	96,238
Trade payables, accruals, other payables and deposits received	11	88,593	35,659
Tax payable		287	1,830
Due to a related company		10	–
		110,235	137,275
Total current liabilities		110,235	137,275
NET CURRENT ASSETS		919,541	899,541
TOTAL ASSETS LESS CURRENT LIABILITIES		1,640,229	1,628,728

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

30 September 2014

	Note	30 September 2014 (Unaudited) HK\$'000	31 March 2014 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Loans advanced from non-controlling shareholders of the Group's subsidiaries		131,823	184,525
Interest-bearing bank borrowings		25,301	26,004
Deposits received	11	2,457	3,249
Deferred tax liabilities		1,638	1,299
		<hr/>	<hr/>
Total non-current liabilities		161,219	215,077
		<hr/>	<hr/>
Net assets		1,479,010	1,413,651
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital		14,419	14,419
Reserves		1,425,720	1,389,611
Proposed final dividend		–	25,955
		<hr/>	<hr/>
Non-controlling interests		1,440,139	1,429,985
		38,871	(16,334)
		<hr/>	<hr/>
Total equity		1,479,010	1,413,651
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2014

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements 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 (the “HKICPA”) 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 condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2014.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 March 2014, except as described below. In the current period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA which are effective for the Group’s financial years beginning on or after 1 April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i>
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC)-Int 21	<i>Levies</i>

The adoption of these new and revised HKFRSs has had no financial effect on the financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their businesses and services and summary details of the business segments are as follows:

Continuing operations

- (a) the cruise ship charter services segment engages in the provision of chartering services of cruise ships;
- (b) the property investments segment invests in prime office space and commercial shops for their rental income potential;
- (c) the securities trading segment engages in the trading of marketable securities for short-term investment purposes; and

Discontinued operation

(d) the hotel operations segment engages in the operation of a hotel property in Indonesia.

Further details for the discontinuance of the hotel operations segment are set out in note 7 to the condensed consolidated financial statements.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources 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 before tax except that interest income, finance costs, as well as head office and corporate expenses are excluded from such measurement.

There were no intersegment sales and transfers during the period (2013: Nil).

Group

	Continuing operations						Discontinued operation					
	Cruise ship charter services		Property investments		Securities trading		Sub-total		Hotel operations		Consolidated	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	<u>33,564</u>	<u>35,439</u>	<u>9,753</u>	<u>9,266</u>	<u>44,007</u>	<u>(13,329)</u>	<u>87,324</u>	<u>31,376</u>	<u>6,083</u>	<u>9,407</u>	<u>93,407</u>	<u>40,783</u>
Segment results	<u>(20,857)</u>	<u>29,788</u>	<u>12,783</u>	<u>19,948</u>	<u>43,988</u>	<u>(13,349)</u>	<u>35,914</u>	<u>36,387</u>	<u>(3,404)</u>	<u>(5,675)</u>	<u>32,510</u>	<u>30,712</u>
<i>Reconciliation:</i>												
Interest income and unallocated gains											1,847	933
Gain on disposal of a discontinued operation											13,022	-
Corporate and other unallocated expenses											(10,242)	(16,955)
Finance costs											(524)	(430)
Profit before tax											<u>36,613</u>	<u>14,260</u>

4. REVENUE

Revenue, which is also the Group's turnover, represents cruise ship charter service income, gross rental income received and receivables from investment properties, dividend income and gain/loss from securities trading during the period.

5. PROFIT BEFORE TAX

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

	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
Depreciation	7,676	6,434
Employee costs (Note)	6,609	13,088

Note: In the prior period, the amount included equity-settled share option expenses of HK\$6,569,000.

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period. In the prior period, no provision for Hong Kong profits tax was made as the Group had available tax losses brought forward from prior years to offset the assessable profits generated. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
Group:		
Current – Hong Kong		
Charge for the period	254	–
Deferred	340	289
Total tax charge for the period	594	289

7. DISCONTINUED OPERATION

On 23 May 2014, the Group entered into a conditional sale and purchase agreement with a connected person to dispose of its entire equity interests in Smarter Cash Assets Limited and its subsidiaries (the “Disposal Group”). The principal asset of the Disposal Group is its 50% equity interests in a subsidiary incorporated in Indonesia, which in turn owns a resort with beach frontage and a four-star hotel operating in Batam Island, Indonesia. The Disposal Group had been loss making in recent years, mainly due to the keen competition with other resort hotels located nearby and the increasing hotel operating cost. The disposal provided the Group with an exit opportunity to realise its loss-making investment at a reasonable price and to provide additional working capital for the Group. The disposal was completed on 31 July 2014. The gain on disposal of a discontinued operation amounted to HK\$13,022,000, after disposal expenses of HK\$943,000. For details, please refer to the Company’s circular dated 16 June 2014.

The results of the Disposal Group for the period are presented below:

	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
Revenue	6,083	9,407
Cost of services provided	(5,987)	(9,226)
Gross profit	96	181
Other income	568	846
Selling and distribution expenses	(51)	(125)
Administrative expenses	(2,797)	(3,995)
Foreign exchange differences, net	(1,216)	(1,934)
Other operating expenses	–	(635)
Loss for the period from the discontinued operation	(3,400)	(5,662)
Gain on disposal from the discontinued operation	13,022	–
	9,622	(5,662)
Attributable to:		
Owners of the Company	11,332	(2,813)
Non-controlling interest	(1,710)	(2,849)
	9,622	(5,662)

The net cash flows incurred by the Disposal Group are as follows:

	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
Operating activities	(434)	5,779
Investing activities	(293)	(8,671)
Net cash outflow	<u>(727)</u>	<u>(2,892)</u>
Earnings/(loss) per share:		
Basic, from the discontinued operation	HK0.20 cent	(HK0.05 cent)
Diluted, from the discontinued operation	HK0.20 cent	(HK0.05 cent)

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

	Six months ended 30 September 2014 (Unaudited)	Six months ended 30 September 2013 (Unaudited)
Profit/(loss) attributable to ordinary equity holders of the Company from the discontinued operation	HK\$11,332,000	(HK\$2,813,000)
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation (note 8)	5,767,768,705	5,766,968,705
Weighted average number of ordinary shares used in the diluted earnings/(loss) per share calculation (note 8)	<u>5,771,292,152</u>	<u>5,767,665,945</u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 5,767,768,705 (2013: 5,766,968,705) in issue during the period.

The calculation of the diluted earnings per share amount is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
Earnings		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation		
From continuing operations	26,066	10,420
From a discontinued operation	11,332	(2,813)
	<u>37,398</u>	<u>7,607</u>
	Six months ended 30 September 2014 (Unaudited)	Six months ended 30 September 2013 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	5,767,768,705	5,766,968,705
Effect of dilution – weighted average number of ordinary shares:		
Share options	3,523,447	697,240
	<u>5,771,292,152</u>	<u>5,767,665,945</u>

9. DIVIDEND

	Six months ended 30 September 2014 (Unaudited) HK\$'000	Six months ended 30 September 2013 (Unaudited) HK\$'000
Interim dividend	11,536	17,301

On 27 November 2014, the directors declared an interim dividend of HK0.2 cent per share for the six months ended 30 September 2014 (2013: HK0.3 cent) to be paid to the shareholders of the Company whose names appear on the register of members on 12 December 2014.

10. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER 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 collateral held by the Group as security is rental deposits received from tenants with a fair value of HK\$15,762,000 (31 March 2014: HK\$15,905,000). Trade receivables are non-interest-bearing.

Below is an aged analysis of trade receivables, net of impairment, based on the invoice date, which is the date when the services are rendered.

	30 September 2014 (Unaudited) HK\$'000	31 March 2014 (Audited) HK\$'000
Within 1 month	21,754	7,657
1 to 2 months	9,078	1,056
2 to 3 months	–	232
Over 3 months	699	141
Trade receivables	31,531	9,086
Prepayments, deposits and other receivables	5,490	5,230
	37,021	14,316

11. TRADE PAYABLES, ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

The aged analysis below shows the Group's trade payables, based on the goods receipt date and the date when services are rendered.

	30 September 2014 (Unaudited) HK\$'000	31 March 2014 (Audited) HK\$'000
Trade payables		
– current to 180 days	–	2,654
Accruals, other payables and deposits received	91,050	36,254
	91,050	38,908

The non-current portion of deposits received of HK\$2,457,000 (31 March 2014: HK\$3,249,000) is included as non-current liabilities. The trade and other payables are non-interest-bearing and are normally settled on 90-day terms.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK0.2 cent per share for the six months ended 30 September 2014 (2013: HK0.3 cent) payable to shareholders whose names appear on the register of members of the Company on 12 December 2014. The interim dividend will be paid on or around 30 December 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 12 December 2014 to Tuesday, 16 December 2014, both days inclusive, during which period, no transfer of shares will be effected. In order to qualify for the interim dividend, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 December 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic activity and world trade started to pick up in the second half of 2014 but remained under pressure. Economic recovery in the United States was slow while Europe showed signs of stabilization. Meanwhile, the Chinese government implemented various stimulus measures to boost its economic development, hence China's economy maintained a steady pace of growth. However, the International Monetary Fund (IMF) has recently downgraded its global growth forecast, citing persistent weakness in the Eurozone and a broad slowdown in several major emerging markets. The IMF expected the global economy to grow by 3.8% in 2015, down from its previous forecast of 4.0%.

In the midst of political and economic uncertainties, staying firm in our profit making business is of utmost importance. The Group completed the disposal of its loss-making investment – Batam Resort on 31 July 2014 and recorded a gain on disposal of HK\$13,022,000.

Thanks to our team of experienced executives and the strong capital base of the Company, we are pleased to announce satisfactory results in the interim period, creating values for the shareholders.

Results

For the six months ended 30 September 2014 (the “Period”), the Group recorded a revenue of HK\$93,407,000 (2013: HK\$40,783,000). The increase was mainly attributed to fair value gains of securities trading. Profit attributable to owners of the Company rose to HK\$37,398,000 for the Period (2013: HK\$7,607,000). Basic earnings per share was HK0.65 cent (2013: HK0.13 cent).

Operations

Cruise Ship Charter Services

The charter services of the two cruise ships, namely “Leisure World” and “Amusement World” (collectively referred to as the “Cruise Ships”) recorded revenue of HK\$33,564,000 for the Period (2013: HK\$35,439,000). The slight decrease in revenue was due to the drydock arrangement for the Cruise Ships during the Period. In order to comply with requirements of classification society, drydock service shall be arranged for the Cruise Ships once every two to three years. During the drydock period, the Cruise Ships would stop all its operations and no charter hires were received. The cost of drydock also resulted in the fair value losses of HK\$46,830,000 (2013: fair value gains of HK\$506,000) on the Cruise Ships. Thus, the segment result turned from a profit of HK\$29,788,000 last period to a loss of HK\$20,857,000 for the Period.

Hotel Operations

During the Period, hotel operations in Batam Resort recorded a 35.3% drop in revenue to HK\$6,083,000 (2013: HK\$9,407,000), resulting from the disposal of the Group’s entire equity interests in Batam Resort on 31 July 2014 and thus the reporting period only reflected four months’ performance. After the completion of the disposal, the Group’s segment loss decreased to HK\$3,404,000 (2013: HK\$5,675,000).

Even though the Group all along delivered excellent service and strived to keep the occupancy rate of our hotel rooms stable, its hotel operations performance was disappointing due to keen competition amongst peers. Furthermore, the increase in fuel oil price, minimum wage, salary and other related expenses also put pressure on the hotel operating cost.

In view of its unsatisfactory performance, the Board considered that disposal of its loss-making investment at a reasonable price would provide the Group an exit opportunity and additional working capital. Therefore, on 23 May 2014, the Group proposed the disposal of its hotel business at Batam Resort to a connected person at a consideration of HK\$10,000,000. The disposal was completed on 31 July 2014 and a gain on disposal of HK\$13,022,000 was recorded by the Group, after disposal expenses of HK\$943,000. For details, please refer to the Company's circular dated 16 June 2014.

Property Investments

During the Period, the property investments segment recorded a 5.3% increase in revenue to HK\$9,753,000 (2013: HK\$9,266,000). This was mainly attributed to an increase in rental rate for renewed tenancies of Hong Kong investment properties. Furthermore, during the Period, the Group enjoyed the full rental generated from four adjoining retail units of 2-storey conservation shophouses in Singapore, for which the acquisition was completed at the end of April 2013. However, the segment profit recorded a drop of 35.9% from HK\$19,948,000 in the last period to HK\$12,783,000 for the Period due to the decrease in fair value gains of investment properties to HK\$5,090,000 (2013: HK\$13,027,000). Nevertheless, the Group achieved a 100% occupancy rate with an average annual rental yield of 3.1% (31 March 2013: 3.0%) for its investment properties in Hong Kong and Singapore.

Securities Trading

The Group's investment portfolio mainly consists of blue chips in the Hong Kong and Singapore stock markets, which provided steady growth to its portfolio. Owing to the upswing of the Asian stock markets favouring the securities trading business, the Group recorded the fair value gains of HK\$32,816,000 on securities trading (2013: fair value losses of HK\$23,819,000) for the Period. Ultimately, the segment enjoyed a turnaround, posting a profit of HK\$43,988,000 (2013: a loss of HK\$13,349,000) for the Period.

Discontinued Operation

On 23 May 2014, the Group entered into a conditional sale and purchase agreement with a connected person to dispose of its entire equity interests in Batam Resort. The disposal constituted a discloseable and connected transaction, which was approved by the independent shareholders in the Company's special general meeting on 4 July 2014 and the disposal was completed on 31 July 2014. Accordingly, the results of the Hotel Operations were accounted for as discontinued operation in the condensed consolidated statement of profit or loss in the current and prior interim periods.

Capital Commitment

On 25 September 2014, the Group entered into a provisional sale and purchase agreement for acquisition of a warehouse in Chai Wan, Hong Kong at a consideration of HK\$6,089,000. As of 30 September 2014, the Group paid a deposit of HK\$200,000 and had capital commitment of HK\$5,889,000. The acquisition was completed on 17 November 2014.

Contingent Liabilities

As of 30 September 2014, the Company had outstanding guarantees of HK\$177,130,000 (31 March 2014: HK\$177,445,000) given to banks to secure general credit facilities for certain subsidiaries. Credit facilities in an aggregate amount of HK\$33,405,000 (31 March 2014: HK\$92,214,000) had been utilized by the subsidiaries from such guarantees at the end of the reporting period.

Charge on the Group's Assets

As of 30 September 2014, some of the Group's land and building and investment properties with an aggregate value of HK\$485,110,000 (31 March 2014: HK\$481,998,000) and equity investments with a carrying value of HK\$392,909,000 (31 March 2014: HK\$449,671,000) were pledged to banks and securities dealers for loan facilities worth HK\$386,362,000 (31 March 2014: HK\$361,956,000) granted to the Group. As of 30 September 2014, loan facilities totalling HK\$33,405,000 (31 March 2014: HK\$122,242,000) had been utilized by the Group.

Liquidity and Financial Resources

As of 30 September 2014, the Group had net current assets of HK\$919,541,000 (31 March 2014: HK\$899,541,000) and equity attributable to owners worth HK\$1,440,139,000 (31 March 2014: HK\$1,429,985,000).

The Group's total indebtedness (representing the aggregate amount of interest-bearing loans from banks and securities dealers) was HK\$33,405,000 (31 March 2014: HK\$122,242,000). All loans were denominated in the Hong Kong dollar and Singapore dollar and charged at floating interest rates. It was secured by mortgages over some of the Group's properties that have an aggregate net book value of HK\$485,110,000 (31 March 2014: HK\$481,998,000).

Regarding total indebtedness, HK\$8,104,000 (31 March 2014: HK\$96,238,000) will be repayable within one year or on demand, HK\$3,329,000 (31 March 2014: HK\$3,340,000) will be repayable from the second to fifth years and the remaining balance of HK\$21,972,000 (31 March 2014: HK\$22,664,000) will be repayable beyond the fifth year.

The Group's gearing ratio (total indebtedness divided by equity attributable to owners of the Company) at the end of the reporting period was decreased to 0.02 (31 March 2014: 0.09).

Exposure to Equity Prices, Foreign Exchange and Interest Rate Risks

The Group is exposed to risks arising from individual equity investments classified as trading equity investments. The Group's investments are listed on the stock exchanges of Hong Kong and Singapore and are valued at quoted market prices at the end of the reporting period.

The Group's cash and cash equivalents are mainly held predominately in the Hong Kong dollar, Singapore dollar and Renminbi. The Group's borrowings are denominated in the Hong Kong dollar and Singapore dollar at floating interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to its long-term debt obligations with floating interest rates. In the opinion of the directors, the Group has no significant interest rate risk. As the impact from foreign exchange exposure is minimal, no hedging against foreign currency exposure is necessary.

Human Resources

As of 30 September 2014, the Group had a total of 24 staff in Hong Kong. Remuneration packages for employees and directors are structured according to market terms as well as individual performance and experience. Benefits plans maintained by the Group include mandatory provident fund scheme, medical insurance, share option scheme and discretionary bonuses. As of 30 September 2014, the Group had 400,040,000 outstanding share options granted to eligible executives and employees of the Group.

Prospects

Looking forward, the global economy may continue to recover, albeit at a slightly slower pace and Hong Kong is expected to experience modest economic growth. However, many challenges and uncertainties still exist. The Group will remain focused on preserving and reinforcing its long established strengths thus deepening on penetration into segments that would offer growth and enlarge our customer and income bases. The Group continues to maintain a strong financial position. The cash and cash equivalents as of 30 September 2014 were approximately HK\$599,846,000. The Group is well positioned to weather any storm that may come, and explore other potential property investment opportunities to create better values for shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions of the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 September 2014.

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 2014.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 September 2014 have been reviewed by the auditors 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 2014.

On behalf of the Board
Ng Wee Keat
Chairman

Hong Kong, 27 November 2014

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.