WINFAIR INVESTMENT COMPANY LIMITED
永發置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 287)

ANNOUNCEMENT OF FINAL RESULTS

FOR THE YEAR ENDED 31 MARCH 2007

The board of directors of Winfair Investment Company Limited would like to announce the audited consolidated results of the company and its subsidiaries (the "group") for the year ended 31 March 2007. The annual results of the group have been reviewed by the company's audit committee.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2007

		The group	
	Notes	**2007** *HK$*	2006 *HK$*
Turnover	*2*	**18,433,838**	20,337,326
Other revenue		**716,909**	264,809
Administrative and general expenses		**(5,396,014)**	(4,555,537)
Carrying amount of financial assets at fair value through profit or loss sold		**(4,405,895)**	(5,192,500)
Gain on disposal of available-for-sale financial assets		**2,075,846**	4,091,095
Gain on disposal of land interests		**8,087,408**	—
(Decrease)/increase in fair value of financial assets at fair value through profit or loss		**(156,894)**	552,234
Provision for impairment loss on properties held for or under development (charged)/written back		**(36,470)**	17,405,000
Fair value gain on investment properties		**6,105,000**	2,295,000
Finance cost		**(1,238,724)**	(1,116,062)
Profit before taxation		**24,185,004**	34,081,365
Taxation	*3*	**(2,038,054)**	(1,113,698)
Profit after taxation attributable to the equity holders of parent		**22,146,950**	32,967,667
Earnings per share	*4*	**0.55**	0.82

CONSOLIDATED BALANCE SHEET
As at 31 March 2007

	2007		2006	
	HK$	*HK$*	*HK$*	*HK$*
ASSETS				
Non-current assets				
Property, plant and equipment		**1,025,219**		1,066,273
Investment properties		**127,550,000**		121,445,000
Leasehold land		**1,574,278**		1,611,761
Properties held for or under development		**9,200,000**		9,200,000
Available-for-sale financial assets — equity shares listed in Hong Kong		**102,791,808**		76,933,350
		242,141,305		210,256,384
Current assets				
Financial assets at fair value through profit or loss — equity shares listed in Hong Kong	**11,084,680**		3,381,625	
Properties under development	**—**		63,705,272	
Stock of property units	**63,790,864**		—	
Stock of land interests	**279,890**		2,536,678	
Trade and other receivables	**1,357,992**		1,486,755	
Tax recoverable	**—**		32,247	
Cash and bank balances	**12,528,113**	**89,041,539**	15,119,267	86,261,844
Current liabilities				
Trade and other payables	**4,737,372**		5,408,455	
Tax payable	**234,767**		97,955	
Bank borrowings - secured	**2,800,000**		2,800,000	
Provision for long service payments	**1,699,200**	**(9,471,339)**	2,093,000	(10,399,410)
Net current assets		**79,570,200**		75,862,434
Total assets less current liabilities		**321,711,505**		286,118,818
Non-current liabilities				
Bank borrowings — secured	**19,600,000**		22,400,000	
Provision for long service payments	**423,400**		—	
Deferred taxation	**8,369,323**	**(28,392,723)**	7,167,282	(29,567,282)
NET ASSETS		**293,318,782**		256,551,536
CAPITAL AND RESERVES				
Share capital		**40,000,000**		40,000,000
Reserves		**249,318,782**		212,551,536
Proposed dividend		**4,000,000**		4,000,000
		293,318,782		256,551,536

Notes

1. Adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRS")

The accounting policies adopted for the preparation of the current year's financial statements are consistent with those set out in the group's annual financial statements for the year ended 31 March 2006 except that the group has changed accounting policy on financial guarantees issued following the adoption of the HKAS 39 and HKFRS 4 Amendments "Financial Instruments: Recognition and Measurement and Insurance Contracts — Financial Guarantee Contracts" (the "Amendments") on 1 April 2006. The changes are as follows:

In prior years, financial guarantees issued by the group were disclosed as contingent liabilities and no provisions were made in respect of these guarantees unless it was more likely than not the guarantees would be called upon. Upon the adoption of the Amendments, financial guarantees are accounted for as financial liabilities under HKAS 39 "Financial Instruments: Recognition and Measurement" and measured initially at fair value and subsequently stated at the higher of (i) the amount initially recognised, where appropriate, less accumulated amortisation recognised over the life of the guarantee on a straight-line basis; and (ii) the amount of the provision, if any, that should be recognised in accordance with HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The adoption of the Amendments does not have any material effect on the results or financial positions of the group for the current or prior years.

2. Turnover

	The group	
	2007	2006
	HK$	*HK$*
Sales of financial assets at fair value through profit or loss	**4,552,241**	7,161,130
Gross rental income from investment properties	**10,566,177**	10,098,247
Dividend income from share investments listed in Hong Kong	**3,315,420**	3,077,949
	18,433,838	20,337,326

3. Taxation

	The group	
	2007	2006
	HK$	*HK$*
Taxation represents —		
Provision for Hong Kong Profits Tax for the year	**(838,000)**	(786,000)
Over provision in respect of previous years	**1,987**	7,955
Deferred tax	**(1,202,041)**	(335,653)
	(2,038,054)	(1,113,698)

Provision for Hong Kong Profits Tax has been made at 17.5% (2006: 17.5%) on the estimated assessable profit for the year.

4. Earnings per share

The calculation of earnings per share is based on the consolidated profit after tax of HK$22,146,950 (2006: HK$32,967,667) and on 40,000,000 shares (2006: 40,000,000 shares) in issue during the year.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Results

For the year under review, the turnover of the group decreased by HK$1,903,488, or 9%, to HK$18,433,838. The decrease was mainly due to the drop in the sales of share investments for short-term during the year. The group's profit for the year also decreased by HK$10,820,717, or 33%, to HK$22,146,950, which was mainly due to the absence of the write-back of provision for impairment loss on properties held for or under development.

Property development

During the year, the group sold the agricultural land located at Lau Fau Shan for a consideration of HK$10,369,458. The disposal of the land interest generated a profit of HK$8,087,408. Regarding the Castle Peak Road property project, the group has obtained the relevant occupation permit and the property units of the project are now pending for sale. For certain other development projects, the group is currently negotiating with the Government for the land premium. So far there is no significant progress.

Property investment

The rental income from the property leasing business increased by HK$467,930, or 4.6% to HK$10,566,177, while the result (including fair value gain on investment properties) increased by HK$3,713,343, or 37% to HK$13,635,382. The improvement in the result was mainly due to the increase in fair value gain on investment properties by HK$3,810,000. During the year under review, the group's investment property portfolio did not have any significant change whereas its fair value was increased by HK$6,105,000 or 5%.

Share investments and dividend income

The revenue and result (including gain on disposal of available-for-sale financial assets) of the securities investment business decreased by HK$2,371,418 (or 23%) and HK$4,300,410 (or 52%) to HK$7,867,661 and HK$3,946,125 respectively. The decrease was mainly due to decrease in sales of both short-term and long-term share investments during the year. On the other hand, the dividend income from share investments increased by HK$237,471 or 7.7% to HK$3,315,420 for the year. During the year, the group purchased share investments, for both short-term and long-term purposes, amounting to HK$15 million approximately. After adjusting the cost to fair value, the group's share investment portfolio had an aggregate fair value of HK$113,876,488, which was increased by HK$33,561,513 or 42%.

Liquidity and financial resources

The group's gearing ratio at 31 March 2007 was 7.6% (2006: 10%), which is taken as bank borrowings to total shareholders' equity. The management is confident that the group has sufficient fund to meet its future operating and project development expenditure, and loan repayment obligations.

Prospects

Benefited from the expansion of the scope of the Qualified Domestic Institutional Investors scheme by the Central Government, we believe that the financial centre status of Hong Kong can be further strengthened. Very likely, this would have positive effect on the group's securities investment business. The property market in Hong Kong continues to be benefited from the economic growth which is driven by rising consumer spending in a low interest rate environment. We believe that the steady economic growth will support the demand for commercial and residential properties. The outlook of Hong Kong real estate market is optimistic. The group shall continue to look for investment opportunities with good returns.

DIVIDENDS

In January 2007, the group paid an interim dividend of HK$0.02 per share (2006: HK$0.02) totalling HK$800,000 (2006: HK$800,000).

The board will propose in the Annual General Meeting to be held on 31 August 2007 the payment of a final dividend of HK$0.10 (2006: HK$0.10) per share in respect of the year ended 31 March 2007 absorbing a total amount of HK$4,000,000 (2006: HK$4,000,000). It is proposed that the dividend cheque will be despatched on or before 18 September 2007 to the shareholders whose names are on the Register of Members on 31 August 2007.

CLOSURE OF REGISTER

The Register of Members of the company will be closed from Monday, 27 August 2007 to Friday, 31 August 2007, both days inclusive. To qualify for the above proposed dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 August 2007.

CORPORATE GOVERNANCE PRACTICE

Save for the exceptions below, the company has complied with all the Code Provisions set out in the "Code on Corporate Governance Practice" contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 March 2007:

1. The group has not designated any chief executive officer. In normal practice, prior approvals by all executive directors are required for all strategic decisions and are confirmed in formal board meeting or under written resolutions subsequently. The group believes that the existing organization and decision making procedures are adequate for the group to cope with the ever-changing economic environment;

2. The non-executive and independent non-executive directors of the company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the company;

3. Directors appointed to fill casual vacancy are not subject to election by shareholders at the first general meeting after their appointment. They will hold office until the next annual general meeting in which they are eligible for re-election; and

4. The terms of reference of Audit Committee and Remuneration Committee were not provided on website of the company until 12 July 2007.

SHARE PURCHASE, SALE OR REDEMPTION

Neither the company nor any of its subsidiaries purchased, sold or redeemed any of the company's issued shares during the year under review.

By Order of the Board
Ng See Wah
Chairman

Hong Kong, 17 July 2007

As at the date of this announcement, the executive directors of the Company are Messrs. Ng See Wah, Soo Cho Ling and Ng Tai Wai, and non-executive directors are Messrs. Ng Tai Keung and So Kwok Leung, and independent non-executive directors are Dr. Loke Yu alias Loke Hoi Lam, Mr. Ng Chi Yeung Simon and Ms. Chan Suit Fei Esther.