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WINFAIR INVESTMENT COMPANY LIMITED
永發置業有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 287)

2009/10 ANNOUNCEMENT OF INTERIM RESULTS

INTERIM RESULTS

The board of directors of Winfair Investment Company Limited (the "company") is pleased to report the unaudited consolidated results of the company and its subsidiaries (the "group") for the six months ended 30 September 2009.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2009

	Notes	(Unaudited) Six months ended 30 September 2009 HK$'000	2008 HK$'000
Turnover	3	34,272	95,504
Cost of sales			
Carrying amount of trading securities sold		(15,615)	(10,999)
Cost of developed property units sold		- -	(63,791)
		(15,615)	(74,790)
Gross profit		18,657	20,714
Other revenue		122	350
Other net income/(loss)		15,397	(4,725)
Increase in fair value of investment properties		17,860	6,240
Administrative and general expenses [including depreciation and amortization of leasehold land of HK$25,000 (2008: HK$26,000) and HK$19,000 (2008: HK$19,000) respectively		(2,824)	(3,550)
Finance cost		- -	(42)
Profit before taxation		49,212	18,987
Taxation	4	(3,730)	(2,115)
Profit after taxation attributable to the equity shareholders of the Company		45,482	16,872
Earnings per share (Basic and diluted)	5	114 HK cents	42 HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2009

	(Unaudited) Six months ended 30 September	
	2009	**2008**
	HK$'000	**HK$'000**
Profit for the period	45,482	16,872
Other comprehensive income/(loss) for the period, (after tax and reclassification adjustments):		
Available-for-sale financial assets: net movement in fair value reserve		
- change in fair value	27,672	(17,894)
- released on disposal	(4,136)	- -
	23,536	(17,894)
Total comprehensive income/(loss) for the period	69,018	(1,022)
Total comprehensive income/(loss) attributable to equity shareholders of the Company	69,018	(1,022)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2009

		(Unaudited) As at 30 September 2009		(Audited) As at 31 March 2009	
	Notes	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
ASSETS					
Non-current assets					
Property, plant and equipment			901		922
Investment properties			161,160		143,300
Leasehold land			1,480		1,499
Properties held for or under development			9,400		9,100
Available-for-sale financial assets – equity shares listed in Hong Kong			91,602		67,644
			264,543		222,465
Current assets					
Trading securities – equity shares listed in Hong Kong		27,894		28,637	
Trade and other receivables	6	1,074		3,820	
Tax recoverable		- -		50	
Cash and bank balances		89,850	118,818	59,611	92,118
Current liabilities					
Trade and other payables	7	3,841		3,775	
Tax payable		3,106		1,818	
Provision for long service payments		1,753	(8,700)	1,738	(7,331)
Net current assets			110,118		84,787
Total assets less current liabilities			374,661		307,252
Non-current liabilities					
Provision for long service payments		466		466	
Deferred taxation		11,604	(12,070)	9,213	(9,679)
NET ASSETS			362,591		297,573
CAPITAL AND RESERVES					
Share capital	8		40,000		40,000
Reserves			321,591		253,573
Proposed dividend			1,000		4,000
			362,591		297,573

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 September 2009

1. Basis of preparation and principal accounting policies

The unaudited condensed consolidated interim financial statements have been prepared under historical cost convention, as modified for the valuation of investment properties and share investments and in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("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 ("Listing Rules").

The accounting policies adopted for the preparation of these condensed consolidated interim financial statements are consistent with those set out in the group's annual financial statements for the year ended 31 March 2009. In the current interim period, the group has applied, for the first time, a number of new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the group's financial year beginning on 1 April 2009. Of these, the following developments are relevant to the group's financial statement:

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27 (Amendment)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
Improvements to HKFRSs (2008)	Amendments to HKAS 40 Investment Property

The adoption of the new and revised HKFRSs has had no material effect on how the reported results and financial position of the group for the current or prior accounting periods. Except for certain changes in presentation and disclosures as described below and in note 2 to the condensed consolidated financial statements, the adoption of the above standards and amendments did not have significant impact on the interim financial report of the group. Accordingly, no prior period adjustment has been required.

HKAS 1 (Revised 2007) Presentation of financial statements

The standard has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. The measurement of recognition of the group's assets, liabilities, income and expenses is unchanged. However, some items that were recognized directly in equity are now recognized in other comprehensive income. HKAS 1 affects the presentation of changes in equity and introduces a "Statement of Comprehensive Income". Comparatives have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

The group has not early applied the new or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the group.

2. Segment information

The group has adopted HKFRS 8 "Operating Segments" with effect from 1 April 2009. HKFRS 8 requires operating segment to be identified on the basis of internal reports about the components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. Adoption of this standard did not have any effect on the group's results of operations or financial position. The group determines that the operating segments are the same as the business segments previously identified under HKAS 14 "Segment Reporting". The segments are securities investment, property investment and property development.

The following is an analysis of the group's revenue and results by operating segment for the period:-

	Securities investment Six months ended 30 September		Property leasing Six months ended 30 September		Property development Six months ended 30 September		Consolidated total Six months ended 30 September	
	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000
Segment revenue	28,832	14,603	5,440	5,901	- -	75,000	34,272	95,504
Segment results	12,557	2,962	3,907	4,426	10	10,323	16,474	17,711
Gain on disposal of available-for-sale financial assets	5,834	- -	- -	- -	- -	- -	5,834	- -
Fair value gain/(loss) on trading securities	9,263	(4,725)	- -	- -	- -	- -	9,263	(4,725)
Increase in fair value of investment properties	- -	- -	17,860	6,240	- -	- -	17,860	6,240
Reversal of provision for impairment loss on property held for or under development	- -	- -	- -	- -	300	- -	300	- -
Results before interest, tax and corporate expenses	27,654	(1,763)	21,767	10,666	310	10,323	49,731	19,226
Interest income							95	336
Interest expenses							- -	(42)
Unallocated corporate expenses							(614)	(533)
Profit before taxation							49,212	18,987
Taxation							(3,730)	(2,115)
Profit after taxation							45,482	16,872

All the group's activities are carried out in Hong Kong.

The group does not allocate finance costs and other corporate expenses to individual reportable segments.

Segment assets principally comprise all tangible assets and current assets directly attributable to each segment with the exception of income tax assets and other corporate assets (including fixed deposits and saving deposits). Segment liabilities include all liabilities and borrowings directly attributable to and managed by each segment with the exception of income tax liabilities and other corporate liabilities.

In the past, the group allocated fixed and saving deposits to securities investment sector and property leasing sector. The HKFRS 8 "Operating Segments" replaces HKAS 14 "Segment Reporting". It requires a "management approach" under which segment information is represented on the same basis as that used for internal purposes. This resulted in a change in presenting the said deposits as the corporate assets and disclosing under a separate reportable segment. Comparatives have been restated to conform to the new presentation. An analysis of group's segment assets is as follows:-

	As at 30 September 2009 HK$'000	(Restated) As at 31 March 2009 HK$'000
Securities investment	119,990	99,199
Property leasing	164,673	146,921
Property development	9,475	9,167
Tax recoverable	- -	50
Corporate assets	89,223	59,246
	383,361	314,583

3. Turnover

	Six months ended 30 September 2009 HK$'000	2008 HK$'000
Gross rental income from investment properties	5,440	5,901
Dividend income from listed investments	4,345	2,751
Sales of trading securities	24,487	11,852
Sales of property units	- -	75,000
	34,272	95,504

4. Taxation

	Six months ended 30 September 2009 HK$'000	2008 HK$'000
Taxation in the condensed consolidated income statement represents:-		
Current tax		
Provision for Hong Kong profits tax	(1,338)	(2,264)
Deferred tax	(2,392)	149
	(3,730)	(2,115)

Provision for Hong Kong profits tax is made at 16.5% (2008: 16.5%) on the estimated assessable profit for the period.

5. Earnings per share (Basic and diluted)

The calculation of earnings per share is based on the consolidated profit after taxation of HK$45,482,000 (2008: HK$16,872,000) and on 40,000,000 shares (2008: 40,000,000 shares) in issue during the period.

6. Trade and other receivables

	As at 30 September 2009 HK$'000	As at 31 March 2009 HK$'000
Rental receivables – within 3 months	368	563
Deposits and prepayments	469	3,076
Other receivables	237	181
	1,074	3,820

7. Trade and other payables

	As at 30 September 2009 HK$'000	As at 31 March 2009 HK$'000
Rental deposits received	2,088	2,185
Receipts in advance	57	39
Construction cost payable	46	46
Unclaimed dividends	459	388
Accrued expenses	1,191	1,117
	3,841	3,775

8. Share capital

	As at 30 September 2009		As at 31 March 2009	
	No. of shares	Amount HK$'000	No. of shares	Amount HK$'000
Authorized				
Ordinary shares of HK$1 each	60,000,000	60,000	60,000,000	60,000
Issued and fully paid				
Ordinary shares of HK$1 each	40,000,000	40,000	40,000,000	40,000

INTERIM DIVIDEND

The board has resolved to pay an interim dividend of 2.5 HK cents per share (2008: 2 HK cents) totaling HK$1,000,000 (2008: HK$800,000). The dividend will be paid on or about 19 January 2010 to the shareholders whose names appear on the Register of Members of the company at the close of business on 15 January 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the company will be closed from Monday, 11 January 2010 to Friday, 15 January 2010, both days inclusive. To qualify for the 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, 17 Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 8 January 2010.

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 period under review.

CORPORATE GOVERNANCE

None of the directors of the company is aware of any information that would reasonably indicate that the company is not, or was not during the six months ended 30 September 2009 in compliance with the code provisions set out in the "Code of Corporate Governance Practices" contained in Appendix 14 of the Listing Rules, except that:

- 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 resolution subsequently. The group believes that the existing organisation and decision making procedures are adequate for the group to cope with the ever-changing economic environment;

- 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; and

- 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.

BUSINESS REVIEW AND PROSPECTS

Business review

The group's turnover for the period amounted to HK$34,272,000 representing a decrease by HK$61,232,000 or 64%, as compared to the same in last year. The decrease was primarily due to an absence of the sale of developed property during the period.

The profit attributable to shareholders amounted to HK$45,482,000, representing an increase HK$28,610,000 or 170%, as compared to the same period in last year. During the period under review, the group benefited from an increase in assets value in Hong Kong as a result of recent rebound of economy. The group recorded a realized and unrealized gain on trading securities of totaling HK$18,135,000 and a revaluation gain on investment properties of HK$17,860,000 in the first half of financial year 2009/10.

Property development

Since the completion for the Castle Peak Road project, there is no other project under significant progress.

Property leasing

The rental income and the result (excluding the revaluation gain of investment properties) of the group's property leasing business decreased by HK$461,000 or 7.8% and HK$519,000 or 11.7% to HK$5,440,000 and HK$3,907,000 respectively, as compared to the same period in last year. The decrease was due to an increase in vacancy rate as a result of the financial crisis 2008. With the recovery of the property market in Hong Kong, the carrying value of investment properties at 30 September 2009 increased to HK$161,160,000, representing an increase HK$17,860,000, as compared to 31 March 2009.

Securities investment

The revenue of the securities investment business increased by HK$14,229,000 or 97%, to HK$28,832,000, as compared to the same period in last year. The increase was mainly attributable to an increase in dealings in trading securities and an increase in dividend income.

During the period, the group transacted several share dealings and recorded a profit margin of HK$8,872,000 or 36% (2008: HK$853,000 or 7.2%). In addition, the group adjusted the long-term investment portfolio and realized a gain of HK$5,834,000. As at 30 September 2009, the group's share investment portfolio, both for trading or long term holding purpose, recorded an unrealized gain of HK$9,263,000 and HK$27,672,000, which were recognized in profit or loss and other comprehensive income respectively.

Subsequent to the end of the interim period, the group purchased certain listed share investments, which is classified as available-for-sale financial assets, at a consideration of HK$5.3 million approximately.

Liquidity and financial resources

The group has a strong cash reserve without bank borrowing as at 30 September 2009. The group continues to adopt prudent policy in financial management.

Prospects

Although the recent economic indicators show the global economy is recovering, the group is still facing a challenging year. Facing a fast and ever-changing economic environment, the group will keep monitoring the market changes and make appropriate strategic adjustment on our assets portfolio. With a strong liquidity position, the group continues to explore further opportunities that are expected to generate better return for shareholders.

INDEPENDENT REVIEW

The interim results for the six months ended 30 September 2009 are unaudited, but have been reviewed 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, by Wong Brothers & Co., Certified Public Accountants, whose Report on Review of Interim Financial Information is included in the interim report to be sent to shareholders. The interim results have also been reviewed by the group's Audit Committee.

By order of the board
Ng See Wah
Chairman

Hong Kong, 15 December 2009

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