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 2011

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 2011. The annual results of the group have been reviewed by the company's audit committee.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2011

	Notes	2011 HK$	(Restated) 2010 HK$
Revenue	2	18,567,485	26,089,151
Other revenue	3	214,545	326,133
Other net income	3	3,193,056	11,808,085
Fair value gain on investment properties		59,088,020	41,930,000
Administrative and general expenses		(5,187,831)	(5,838,683)
Profit before taxation		75,875,275	74,314,686
Taxation	4	(9,974,275)	(7,577,037)
Profit after taxation attributable to the equity shareholders of the company		65,901,000	66,737,649
Earnings per share (Basic and diluted)	5	HK$1.648	HK$1.668

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	2011 HK$	2010 HK$
Profit for the year	65,901,000	66,737,649
Other comprehensive income for the year		
Increase in fair value of available-for-sale financial assets	6,347,052	26,798,626
Reclassification adjustment relating to disposal of available-for-sale financial assets	(728,364)	(4,136,324)
	5,618,688	22,662,302
Total comprehensive income, net of tax, for the year attributable to equity shareholders of the company	71,519,688	89,399,951

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

		31 March 2011		(Restated) 31 March 2010		(Restated) 1 April 2009
	HK$	HK$	HK$	HK$	HK$	HK$
ASSETS						
Non-current assets						
Property, plant and equipment		2,276,138		2,337,534		2,421,076
Investment properties		294,800,000		185,230,000		143,300,000
Properties held for or under development		9,900,000		9,900,000		9,100,000
Available-for-sale financial assets - equity shares listed in Hong Kong		99,220,565		96,255,332		67,644,149
		406,196,703		293,722,866		222,465,225
Current assets						
Trading securities – equity shares listed in Hong Kong	57,673,336		46,375,782		28,636,713	
Trade and other receivables	1,226,774		1,269,747		3,820,198	
Tax recoverable	100,366		- -		50,116	
Cash and bank balances	12,379,042	71,379,518	66,603,664	114,249,193	59,610,584	92,117,611
Current liabilities						
Trade and other payables	3,431,429		7,035,429		3,774,648	
Tax payable	727,350		1,986,451		1,818,492	
Provision for long service payments	888,200	(5,046,979)	879,700	(9,901,580)	1,737,800	(7,330,940)
Net current assets		66,332,539		104,347,613		84,786,671
Total assets less current liabilities		472,529,242		398,070,479		307,251,896
Non-current liabilities						
Provision for long service payments	205,000		466,000		466,000	
Deferred taxation	23,754,548	(23,959,548)	15,595,133	(16,061,133)	9,212,946	(9,678,946)
NET ASSETS		448,569,694		382,009,346		297,572,950
CAPITAL AND RESERVES						
Share capital		40,000,000		40,000,000		40,000,000
Reserves		408,569,694		342,009,346		257,572,950
		448,569,694		382,009,346		297,572,950

Notes

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

In the current year, 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 2010. Among these new or revised standards, amendments and interpretations, the following has effect on the group's financial statements:

Improvements to HKFRSs 2009 Amendment to HKAS 17 Leases

Except for the effect on certain line items in the statement of financial position as described below, the adoption of the new and revised HKFRSs has had no material effect on the results and net assets of the group for the current or prior years.

Amendment to HKAS 17 Leases

In prior years, the group split the owner-occupied property into the land portion and building portion based on their fair value at inception and the leases of land and building were accounted for separately. The lease of land was accounted for as operating lease, with the up-front payment of lease premium amortised over the period of the lease and the unamortised lease premium classified as "leasehold land" in the statement of financial position.

Pursuant to the amendment to HKAS 17 "Leases", leasehold land is classified as a finance lease and stated at cost less accumulated depreciation if substantially all risks and reward of the leasehold land have been transferred to the group. As the directors consider that the present value of the minimum lease payment (i.e., the transaction price) of the land held by the group amounted to substantially all of the fair value of the land as if it were freehold, the leasehold land of the group is regarded as being held under finance lease. The amendment has been applied retrospectively to unexpired leases at the date of adoption of the amendment on the basis of information existing at the inception of the leases. As a result, prepaid land lease classified as leasehold land has been reclassified to property, plant and equipment and has been applied retrospectively for annual periods beginning 1 April 2010. Amortisation charges of prepaid land lease has been reclassified to depreciation retrospectively. The reclassification of leasehold land has no effect on the results and the financial position of the group.

The effect of the adoption of this amendments is as below:

	31 March 2011 HK$	**31 March 2010 HK$**	**1 April 2009 HK$**
Decrease in leasehold land	(1,424,346)	(1,461,829)	(1,499,312)
Increase in property, plant and equipment	1,424,346	1,461,829	1,499,312

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

Standards, amendments and interpretations not effective

The HKICPA has issued the following new and revised standards, interpretations and amendments which are not effective for the group's financial statements for the year ended 31 March 2011:

		Effective for accounting periods beginning on or after
HKFRSs (Amendments)	Improvements to HKFRSs 2010	1 January 2011
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets	1 January 2012
HKAS 24 (Revised)	Related Party Disclosures	1 January 2011
HKFRS 1 (Amendment)	Limited Exemption for Comparative HKFRS 7 Disclosure for First-time Adopters	1 July 2010
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for the First-time Adopters	1 July 2011
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets	1 July 2011
HKFRS 9 and Additions to HKFRS 9	Financial Instruments	1 January 2013
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement	1 January 2011
HK(IFRIC) – Int 19	Extinguish Financial Liabilities with Equity Instruments	1 July 2010

The group has not early adopted any new or revised standard, amendments or interpretation that is not effective for the current accounting year.

The group is in the process of making an assessment of the impact of these new standards, interpretations, improvements and amendments to standards and is not yet in a position to state whether they would have a significant impact on the group's results and financial position.

2. Revenue

	The group	
		(Restated)
	2011	**2010**
	HK$	**HK$**
Gross rental income from investment properties	11,808,160	10,888,037
Dividend income from share investments listed in Hong Kong		
- trading securities	1,642,249	1,710,495
- available-for-sale financial assets	3,746,792	3,899,742
	5,389,041	5,610,237
Net result of trading in securities	1,370,284	9,590,877
	18,567,485	26,089,151

3. Other revenue and other net income

	The group	
	2011	**2010**
	HK$	**HK$**
Other revenue		
Bank interest income	130,545	211,251
Sundry income	84,000	114,882
	214,545	326,133
Other net income		
Net gain on disposal of available-for-sale financial assets	1,392,984	5,834,433
Fair value gain on trading securities	1,830,072	5,183,652
Fair value (loss)/gain on properties held for or under development	(30,000)	790,000
	3,193,056	11,808,085

4. Taxation

	The group	
	2011	**2010**
	HK$	**HK$**
Current income tax		
Provision for Hong Kong Profits Tax for current year	1,818,500	1,195,006
Over-provision for prior year	(3,640)	(156)
	1,814,860	1,194,850
Deferred tax		
Origination and reversal of temporary differences	8,159,415	6,382,187
Total income tax	9,974,275	7,577,037

Provision for Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) on the estimated assessable profit for the year.

5. Earnings per share

The calculation of basic earnings per share is based on the consolidated profit after tax of HK$65,901,000 (2010: HK$66,737,649) and on 40,000,000 (2010: 40,000,000) ordinary shares in issue during the year.

Diluted earnings per share equals to the basic earnings per share as the company had no dilutive potential financial instrument in issue during the year (2010: Nil).

6. DIVIDENDS

	2011 HK$	2010 HK$
Dividends attributable to the year -		
Interim dividend at HK$0.025 (2010: HK$0.025) per share paid during the year	1,000,000	1,000,000
Final dividend at HK$0.10 (2010: HK$0.10) per share proposed after the reporting period	4,000,000	4,000,000
	5,000,000	5,000,000
Unclaimed dividend forfeited (Note (a))	(40,660)	(36,445)
	4,959,340	4,963,555

Note (a) *Pursuant to Article 145 of the Articles of Association of the company, on 23 March 2011, the board of directors resolved that the dividends for the financial years 2003/04 to 2004/05 amounting to HK$40,660 payable on or before 19 January 2005 remained unclaimed on 23 March 2011 be forfeited and recognised in the equity.*

Note (b) *The final dividend proposed after the reporting period has not been recognised as a liability at the end of the reporting period.*

7. CHANGE IN THE PRESENTATION OF REVENUE

In prior years, revenue included the sale proceeds from sale of trading securities while the related costs were presented as "cost of sales in trading securities".

In the current year, the group revised the presentation of revenue in order to conform with market practices. The sale proceeds from sale of trading securities are offset against the cost of trading securities and are presented as net result of trading in securities in the consolidated income statement.

The effects of the change in the presentation of revenue have been accounted for retrospectively with comparative figures restated. The effect of specific line items affected in the consolidated income statement is as follows:

	2011 HK$	2010 HK$
Decrease in revenue - sales of trading securities	20,516,060	29,568,299
Decrease in cost of sales in trading securities	19,145,776	19,977,422
Increase in net result of trading in securities	1,370,284	9,590,877

These changes do not have any impact on the results of the group in respect of the current and prior years.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Results

For the year under review, the revenue of the group decreased by HK$7,521,666, or 28.8%, to HK$18,567,485. The group's profit for the year slightly decreased by HK$836,649, or 1.25%, to HK$65,901,000.

Property development

There is no project under development with significant progress during the year. The group continues to explore properties in Hong Kong for re-development purpose.

Property investment

During the year, the group sold the property situated at 1/F of Pearl Oriental, Kowloon for HK$20,000,000 and acquired certain properties situated at Nos. 60-64 Ma Tau Chung Road, Kowloon at a total cost of HK$70,481,980. The net increase in investment properties has led to increase on rental income by HK$920,123, or 8.5%, to HK$11,808,160, and the result (excluding revaluation gain on investment properties) of the property leasing business by HK$1,440,090, or 19%, to HK$8,958,922. The group recorded a fair value gain of HK$59,088,020 on revaluation of its investment properties, which amounted to HK$294,800,000 at 31 March 2011.

Share investments and dividend income

Dividend income decreased by HK$221,196, or 3.9% to HK$5,389,041 as compared to last year. The decrease was mainly due to decrease in dividend yield of the securities held by the group.

During the year, the group sold certain trading securities and posted a profit of HK$1,370,284 (2010: HK$9,590,877). Besides, the group sold certain long-term listed share investments and realised a gain of HK$1,392,984 (2010: HK$5,834,433). Unrealised gain on trading securities and available-for-sale financial assets amounted to HK$1,830,072 and HK$6,347,052 respectively. At 31 March 2011, the group's share investment portfolios had an aggregate fair value of HK$156,893,901 (2010: HK$142,631,114).

Liquidity and financial resources

The group maintains a healthy cash position without bank borrowings as at 31 March 2011. The management believes that the group's cash reserve is sufficient to meet its operating and project development expenditure. The group will continue to adopt a prudent policy in its cash management.

Prospects

Hong Kong property prices are still on an uprising trend. This boost in land prices poses challenge to the group's negotiation with the government for land premiums on changing usage of the group's agricultural land. On the other hand, rising property prices have a positive effect on rental income of the group. Certain tenancies of the group's investment properties are due for renewal in the coming year. The group will be in an advantageous position in negotiating rentals with the group's tenants amidst the booming property market. The management expects that such tenancies can be renewed with double-digit increase in rental.

With a strong liquidity position, the group will keep watch of the market change and make appropriate strategic adjustment on our assets portfolio to maximise returns to its shareholders.

DIVIDENDS

In January 2011, the group paid an interim dividend of HK$0.025 (2010: HK$0.025) per share totaling HK$1,000,000 (2010: HK$1,000,000).

The board will propose in the Annual General Meeting to be held on 23 August 2011 the payment of a final dividend of HK$0.10 (2010: HK$0.10) per share in respect of the year ended 31 March 2011, absorbing a total amount of HK$4,000,000 (2010: HK$4,000,000). It is proposed that the dividend cheque will be dispatched on or before 16 September 2011 to the shareholders whose names are on the Register of Members on 31 August 2011.

CLOSURE OF REGISTER

For the purpose of ascertaining the entitlement of the shareholders to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Friday, 19 August 2011 to Tuesday, 23 August 2011, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 18 August 2011.

The register of members of the Company will also be closed from Monday, 29 August 2011 to Wednesday, 31 August 2011, both days inclusive, during which period no transfer of shares of the Company will be registered for the purpose of ascertaining the entitlement to the proposed final dividend for the year ended 31 March 2011. To qualify for the receipt of the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 26 August 2011.

CORPORATE GOVERNANCE PRACTICE

Save for the exceptions below, the company has complied with all the Code Provisions of the Code throughout the year ended 31 March 2011:

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 in formal board meeting or under written resolutions. The group believes that the existing organisation 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; and

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.

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, 28 June 2011

As at the date of this announcement, the executive directors of the Company are Mr. Ng See Wah, Mr. Ng Tai Wai and Mr. Ng Tai Yin Victor, the non-executive directors are Mr. So Kwok Leung and Mr. So Kwok Wai, Benjamin; 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 is alternate director to Mr. Ng See Wah .