WING ON COMPANY INTERNATIONAL LIMITED
永安國際有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 289)

ANNOUNCEMENT OF 2015 ANNUAL RESULTS

The directors of Wing On Company International Limited ("the Company") announce the consolidated financial results for the year ended 31 December 2015:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December **2015** **HK$'000**	 2014 HK$'000
Revenue	3	**1,871,876**	1,964,556
Other revenue	5	**46,260**	54,258
Other net (loss)/gain	5	**(40,958)**	21,228
Cost of department store sales	6(d)	**(790,301)**	(842,600)
Cost of property leasing activities	6(c)	**(90,304)**	(76,723)
Other operating expenses		**(440,063)**	(429,463)
Profit from operations		**556,510**	691,256
Finance costs	6(a)	**(9,870)**	(15,169)
		546,640	676,087
Valuation gains on investment properties		**688,358**	350,342
		1,234,998	1,026,429
Share of profit of an associate			
- Profit from operations		**34,345**	61,205
- Gain on disposal of an interest in a subsidiary by an associate		**-**	373,847
Profit before taxation	6	**1,269,343**	1,461,481
Income tax	7	**(198,179)**	(185,164)
Profit for the year		**1,071,164**	1,276,317
Attributable to:			
Shareholders of the Company		**1,068,514**	1,274,507
Non-controlling interests		**2,650**	1,810
Profit for the year		**1,071,164**	1,276,317
Basic and diluted earnings per share	9(a)	**361.9 cents**	431.6 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December			
	2015		2014	
	HK$'000	**HK$'000**	HK$'000	HK$'000
Profit for the year		**1,071,164**		1,276,317
Other comprehensive income for the year (after tax and reclassification adjustments):				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation adjustments:				
- exchange differences on translation of financial statements of overseas subsidiaries	**(225,721)**		(179,985)	
- share of exchange differences on translation of financial statements of an overseas associate	**(2,714)**		(1,063)	
- release of the exchange reserve upon refund of investment in an overseas subsidiary	**(7,554)**		(11,915)	
		(235,989)		(192,963)
Share of cash flow hedge of an associate:				
- net movement in the hedging reserve		**-**		9,338
Available-for-sale securities:				
- changes in fair value recognised during the year		**2,820**		(350)
		(233,169)		(183,975)
Total comprehensive income for the year		**837,995**		1,092,342
Attributable to:				
Shareholders of the Company		**835,361**		1,090,533
Non-controlling interests		**2,634**		1,809
Total comprehensive income for the year		**837,995**		1,092,342

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 31 December 2015 HK$'000	At 31 December 2014 HK$'000
Non-current assets			
Investment properties		**11,602,601**	11,159,025
Other property, plant and equipment		**449,240**	470,897
		12,051,841	11,629,922
Interest in an associate		**303,422**	1,371,368
Available-for-sale securities		**24,538**	21,718
Deferred tax assets		**7,190**	7,904
		12,386,991	13,030,912
Current assets			
Trading securities		**378,665**	340,515
Inventories		**104,762**	107,949
Debtors, deposits and prepayments	10	**68,081**	66,317
Amounts due from fellow subsidiaries		**2,622**	2,665
Current tax recoverable		**999**	23
Cash and cash equivalents		**3,116,347**	3,347,260
		3,671,476	3,864,729
Current liabilities			
Creditors and accrued charges	11	**397,070**	428,259
Secured bank loan		**35,638**	40,102
Amount due to an associate		**-**	1,099,690
Amounts due to fellow subsidiaries		**2,811**	3,312
Current tax payable		**18,678**	36,185
		454,197	1,607,548
Net current assets		**3,217,279**	2,257,181
Total assets less current liabilities		**15,604,270**	15,288,093
Non-current liabilities			
Secured bank loan		**214,668**	281,507
Deferred tax liabilities		**508,262**	449,925
		722,930	731,432
Net assets		**14,881,340**	14,556,661
Capital and reserves			
Share capital		**29,508**	29,530
Reserves		**14,826,695**	14,504,628
Total equity attributable to shareholders of the Company		**14,856,203**	14,534,158
Non-controlling interests		**25,137**	22,503
Total equity		**14,881,340**	14,556,661

Consolidated statement of changes in equity for the year ended 31 December 2015

		Attributable to shareholders of the Company										
	Note	Share capital	Land and building revaluation reserve	Investment revaluation reserve	Exchange reserve	Hedging reserve	Contributed surplus	General reserve fund	Retained earnings (note)	Total	Non-controlling interests	Total equity
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 January 2015		29,530	271,037	9,940	57,506	-	754,347	1,018	13,410,780	14,534,158	22,503	14,556,661
Changes in equity for 2015												
Profit for the year		-	-	-	-	-	-	-	1,068,514	1,068,514	2,650	1,071,164
Other comprehensive income		-	-	2,820	(235,973)	-	-	-	-	(233,153)	(16)	(233,169)
Total comprehensive income for the year		-	-	2,820	(235,973)	-	-	-	1,068,514	835,361	2,634	837,995
Share of the general reserve fund of an associate: transfer to the general reserve fund		-	-	-	-	-	-	655	(655)	-	-	-
Dividends approved in respect of the previous year	8(b)	-	-	-	-	-	-	-	(407,507)	(407,507)	-	(407,507)
Dividends declared and paid in respect of the current year	8(a)	-	-	-	-	-	-	-	(100,397)	(100,397)	-	(100,397)
Purchase of own shares												
- par value paid		(22)	-	-	-	-	-	-	-	(22)	-	(22)
- premium paid		-	-	-	-	-	-	-	(5,390)	(5,390)	-	(5,390)
		(22)	-	2,820	(235,973)	-	-	655	554,565	322,045	2,634	324,679
Balance at 31 December 2015		29,508	271,037	12,760	(178,467)	-	754,347	1,673	13,965,345	14,856,203	25,137	14,881,340
Balance at 1 January 2014		29,530	274,692	10,290	250,468	(9,338)	754,347	612	12,451,943	13,762,544	20,694	13,783,238
Changes in equity for 2014												
Profit for the year		-	-	-	-	-	-	-	1,274,507	1,274,507	1,810	1,276,317
Other comprehensive income		-	(3,655)	(350)	(192,962)	9,338	-	-	3,655	(183,974)	(1)	(183,975)
Total comprehensive income for the year		-	(3,655)	(350)	(192,962)	9,338	-	-	1,278,162	1,090,533	1,809	1,092,342
Share of the general reserve fund of an associate: transfer to the general reserve fund		-	-	-	-	-	-	406	(406)	-	-	-
Dividends approved in respect of the previous year	8(b)	-	-	-	-	-	-	-	(203,754)	(203,754)	-	(203,754)
Dividends declared and paid in respect of the current year	8(a)	-	-	-	-	-	-	-	(115,165)	(115,165)	-	(115,165)
		-	(3,655)	(350)	(192,962)	9,338	-	406	958,837	771,614	1,809	773,423
Balance at 31 December 2014		29,530	271,037	9,940	57,506	-	754,347	1,018	13,410,780	14,534,158	22,503	14,556,661

Note: Retained earnings attributable to the shareholders of the Company as at 31 December 2015 include the aggregate net valuation gain relating to investment properties after deferred tax of HK$9,140,398,000 (2014: HK$8,547,470,000).

NOTES

1. Basis of preparation

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31 December 2015 but are extracted from those financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. This announcement also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). In addition, this announcement has been reviewed by the Company's Audit Committee.

The figures in respect of this announcement of the Group's results for the year ended 31 December 2015 have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in respect of this announcement was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditor on this announcement.

2. Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Annual Improvements to HKFRSs 2010-2012 Cycle
- Annual Improvements to HKFRSs 2011-2013 Cycle

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impact of the adoption of the amended HKFRSs is discussed below:

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosures of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosure as the Group does not obtain key management personnel services from management entitles.

3. Revenue

The principal activities of the Group are the operation of department stores and property investment.

The Group's revenue comprised the invoiced value of goods sold to customers less returns, net income from concession sales and income from property investment and is analysed by principal activities as follows:

	2015	2014
	HK$'000	HK$'000
Sale of goods	**1,161,946**	1,234,877
Net income from concession sales	**276,562**	287,064
Department stores	**1,438,508**	1,521,941
Property investment	**433,368**	442,615
	1,871,876	1,964,556

The Group's customer base is diversified and does not have any customer with whom transactions have exceeded 10% of the Group's total revenue.

4. Segment reporting

The Group manages its business by two divisions, namely department stores and property investment. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Department stores: this segment operates department stores in Hong Kong.
- Property investment: this segment leases commercial premises to generate rental income. Currently the Group's investment property portfolio is located in Hong Kong, Australia and the United States of America.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

- Segment assets include all tangible, intangible assets and current assets with the exception of interest in an associate, investments in financial assets, current tax recoverable, deferred tax assets and other corporate assets. Segment liabilities include trade and other creditors, accrued charges and bank borrowings managed directly by the segments.

- Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is profit before interest income, finance costs and income tax.

In addition to receiving segment information concerning segment profit, management is provided with segment information concerning revenue (including inter-segment revenue), finance costs on bank borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below.

	Department stores		Property investment		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK\$'000	HK\$'000	**HK\$'000**	HK\$'000	**HK\$'000**	HK\$'000
Revenue from external customers	**1,438,508**	1,521,941	**433,368**	442,615	**1,871,876**	1,964,556
Inter-segment revenue	**-**	-	**117,995**	102,708	**117,995**	102,708
Reportable segment revenue	**1,438,508**	1,521,941	**551,363**	545,323	**1,989,871**	2,067,264
Reportable segment profit	**183,157**	232,849	**427,156**	434,061	**610,313**	666,910
Finance costs	**-**	-	**9,870**	15,169	**9,870**	15,169
Depreciation and amortisation for the year	**9,496**	6,536	**40,430**	42,462	**49,926**	48,998
Impairment of trade and other debtors written back	**(14)**	(2)	**-**	-	**(14)**	(2)
Reportable segment assets	**162,604**	177,468	**12,065,023**	11,629,181	**12,227,627**	11,806,649
Additions to non-current segment assets during the year	**14,538**	10,008	**42,882**	34,003	**57,420**	44,011
Reportable segment liabilities	**274,069**	325,687	**332,787**	393,729	**606,856**	719,416

(b) Reconciliations of reportable segment profit, assets and liabilities

	2015 HK$'000	2014 HK$'000
Profit		
Reportable segment profit derived from the Group's external customers	**610,313**	666,910
Share of profit of an associate	**34,345**	435,052
Other revenue	**46,260**	54,258
Other net (loss)/gain	**(40,958)**	21,228
Finance costs	**(9,870)**	(15,169)
Valuation gains on investment properties	**688,358**	350,342
Unallocated head office and corporate expenses	**(59,105)**	(51,140)
Consolidated profit before taxation	**1,269,343**	1,461,481
Assets		
Reportable segment assets	**12,227,627**	11,806,649
Elimination of inter-segment receivables	**(5,330)**	(5,450)
	12,222,297	11,801,199
Interest in an associate	**303,422**	1,371,368
Available-for-sale securities	**24,538**	21,718
Deferred tax assets	**7,190**	7,904
Trading securities	**378,665**	340,515
Current tax recoverable	**999**	23
Unallocated head office and corporate assets	**3,121,356**	3,352,914
Consolidated total assets	**16,058,467**	16,895,641
Liabilities		
Reportable segment liabilities	**606,856**	719,416
Elimination of inter-segment payables	**(5,330)**	(5,450)
	601,526	713,966
Amount due to an associate	**-**	1,099,690
Current tax payable	**18,678**	36,185
Deferred tax liabilities	**508,262**	449,925
Unallocated head office and corporate liabilities	**48,661**	39,214
Consolidated total liabilities	**1,177,127**	2,338,980

(c) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's investment properties and other property, plant and equipment and interest in an associate ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset in the case of investment properties and other property, plant and equipment and the location of operations in the case of interest in an associate.

	Revenue from external customers		Specified non-current assets	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (place of domicile)	**1,731,602**	1,795,954	**9,437,370**	9,060,622
Australia	**119,646**	148,963	**2,433,274**	2,413,330
The United States of America	**20,628**	19,639	**376,197**	1,445,146
The People's Republic of China	**-**	-	**108,422**	82,192
	140,274	168,602	**2,917,893**	3,940,668
	1,871,876	1,964,556	**12,355,263**	13,001,290

5. Other revenue and other net (loss)/gain

	2015	2014
	HK$'000	HK$'000
Other revenue		
Interest income from		
- bank deposits	**28,314**	33,393
- trading securities	**625**	1,009
Dividend income from securities	**14,443**	14,051
Forfeiture of unclaimed dividends	**523**	3,454
Others	**2,355**	2,351
	46,260	54,258
Other net (loss)/gain		
Net (loss)/gain on remeasurement to fair value of trading securities	**(36,407)**	12,215
Net realised gain on disposal of:		
- trading securities	**3,703**	4,671
- derivative financial instruments	**2,930**	868
Release of the exchange reserve upon refund of investment in an overseas subsidiary	**7,554**	11,915
Net foreign exchange loss	**(18,730)**	(8,449)
Net (loss)/gain on disposal of plant and equipment	**(8)**	8
	(40,958)	21,228

6. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

		2015 HK$'000	2014 HK$'000
(a)	Finance costs:		
	Interest on bank loan	**9,870**	15,169
(b)	Staff costs (excluding directors' remuneration):		
	Contributions to defined contribution retirement plans	**12,568**	12,373
	Salaries, wages and other benefits	**212,666**	207,367
		225,234	219,740
(c)	Rentals received and receivable from investment properties:		
	Gross rentals	**(433,368)**	(442,615)
	Less: direct outgoings	**90,304**	76,723
		(343,064)	(365,892)
(d)	Other items:		
	Depreciation and amortisation		
	- owned assets	**38,084**	35,460
	- lease incentives	**12,037**	13,645
	Goodwill written off	**-**	1,178
	Impairment losses of trade and other debtors written back	**(14)**	(2)
	Auditors' remuneration		
	- audit services	**4,076**	4,429
	- tax services	**442**	468
	- other services	**1,433**	1,421
	Operating lease charges		
	- minimum lease payments for hire of land and buildings	**43,318**	44,170
	- contingent rentals for hire of land and buildings	**290**	411
	Cost of inventories sold	**790,301**	842,600

7. Income tax in the consolidated statement of profit or loss

	2015 HK$'000	2014 HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	**76,109**	80,799
Over-provision in respect of prior years	**(387)**	(115)
	75,722	80,684
Current tax – Overseas		
Provision for the year	**20,167**	31,684
Under-provision in respect of prior years	**474**	215
	20,641	31,899
Deferred tax		
Origination and reversal of temporary differences		
- changes in fair value of investment properties	**93,574**	71,488
- other temporary differences	**8,242**	1,093
	101,816	72,581
Total income tax expense	**198,179**	185,164

The provision for Hong Kong Profits Tax for 2015 is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2014-15 subject to a maximum reduction of HK$20,000 for each business (2014: a maximum reduction of $10,000 was granted for the year of assessment 2013-14 and was taken into account in calculating the provision for 2014). Taxation for overseas subsidiaries is charged similarly at the appropriate current rates of taxation ruling in the relevant countries.

8. Dividends

(a) Dividends payable to shareholders of the Company attributable to the year:

	2015 HK$'000	2014 HK$'000
Interim dividend:		
- declared during the year	**100,400**	115,165
- attributable to shares purchased in September 2015	**(3)**	-
Interim dividend paid of 34 HK cents (2014: 39 HK cents) per share	**100,397**	115,165
Final dividend proposed after the end of the reporting period of 50 HK cents (2014: 138 HK cents) per share	**147,541**	407,507
	247,938	522,672

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2015 HK$'000	2014 HK$'000
Final dividend in respect of the financial year ended 31 December 2014 of 138 HK cents (31 December 2013: 69 HK cents) per share approved and paid during the year	**407,507**	203,754

9. Basic and diluted earnings per share

(a) The calculation of basic earnings per share is based on the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2015 of HK$1,068,514,000 (2014: HK$1,274,507,000) divided by the weighted average of 295,278,000 shares (2014: 295,295,000 shares) in issue during the year.

There were no outstanding potential shares throughout the years presented.

(b) Adjusted basic earnings per share excluding the valuation gains on investment properties net of related deferred tax thereon

For the purpose of assessing the underlying performance of the Group, the management is of the view that the profit for the year should be adjusted for the valuation gains on investment properties net of related deferred tax thereon in arriving at the "underlying profit attributable to shareholders of the Company".

The difference between the underlying profit attributable to shareholders of the Company and profit attributable to shareholders of the Company as shown in the consolidated statement of profit or loss for the year is reconciled as follows:

	2015		2014	
		Amount per share		Amount per share
	HK$'000	**HK cents**	HK$'000	HK cents
Profit attributable to shareholders of the Company as shown in the consolidated statement of profit or loss	**1,068,514**	**361.9**	1,274,507	431.6
Less: Valuation gains on investment properties	**(688,358)**	**(233.1)**	(350,342)	(118.6)
Add: Increase in deferred tax liabilities in relation to the valuation gains on investment properties	**93,574**	**31.7**	71,488	24.2
	473,730	**160.5**	995,653	337.2
Add: Valuation gain on investment property net of related deferred tax attributable to non-controlling interests	**1,856**	**0.6**	1,056	0.4
Underlying profit attributable to shareholders of the Company	**475,586**	**161.1**	996,709	337.6

10. Debtors, deposits and prepayments

	2015	2014
	HK$'000	HK$'000
Trade and other debtors	**30,668**	27,523
Less: allowance for doubtful debts	**(5)**	(19)
	30,663	27,504
Deposits and prepayments	**37,418**	38,813
	68,081	66,317

All debtors, deposits and prepayments of the Group, apart from certain rental deposits and prepayments totalling HK$25,125,000 (2014: HK$22,451,000), are expected to be recovered or recognised as an expense within one year.

Included in debtors, deposits and prepayments are trade and other debtors (net of allowance for doubtful debts) with the following ageing analysis, based on the due date, as of the end of the reporting period:

	2015	2014
	HK$'000	HK$'000
Current or less than one month past due	**30,200**	26,749
One to three months past due	**411**	535
More than three months but less than twelve months past due	**15**	71
More than twelve months past due	**37**	149
	30,663	27,504

According to the Group's credit policy, credit period granted to customers is generally 30 days from the date of billing.

11. Creditors and accrued charges

	2015	2014
	HK$'000	HK$'000
Trade and other creditors	**355,125**	385,280
Accrued charges	**41,945**	42,979
	397,070	428,259

Included in creditors and accrued charges are trade and other creditors with the following ageing analysis, based on the due date, as of the end of the reporting period:

	2015	2014
	HK$'000	HK$'000
Amounts not yet due	**300,477**	328,974
On demand or less than one month overdue	**52,731**	52,802
One to three months overdue	**418**	1,336
Three to twelve months overdue	**333**	756
More than twelve months overdue	**1,166**	1,412
	355,125	385,280

Credit period granted to the Group is generally between 30 days and 90 days from the date of billing.

2015 RESULTS AND DIVIDEND

The Group's revenue for the year ended 31 December 2015 decreased by 4.7% to HK$1,871.9 million (2014: HK$1,964.6 million). The decrease was due mainly to the decrease in department stores revenue.

Profit attributable to shareholders for the year ended 31 December 2015 was HK$1,068.5 million (2014: HK$1,274.5 million), a decrease of 16.2% due primarily to the reduced profit contributions from the Group's core businesses, losses from investments in securities, and reduced share of profit of the Group's associate, partly offset by the increase in the valuation gains on investment properties. Excluding the non-cash valuation gains on investment properties and related deferred tax thereon, the Group's underlying profit attributable to shareholders decreased by 52.3% to HK$475.6 million (2014: HK$996.7 million). The decrease was due to the inclusion of a one-off exceptional gain from an associate of HK$373.9 million on disposal of its entire interest in a subsidiary which engaged in automobile dealership business in the United States in 2014. Excluding this one-off exceptional gain from the 2014 comparative figures, the Group's underlying profit attributable to shareholders would have decreased by 23.6%.

Earnings per share was 361.9 HK cents per share in 2015 (2014: 431.6 HK cents per share). Excluding the valuation gains on investment properties and related deferred tax thereon, underlying earnings per share for the year decreased by 52.3% to 161.1 HK cents (2014: 337.6 HK cents) per share. Excluding the above-mentioned one-off exceptional gain from the 2014 comparative figures, the underlying earnings per share for the year would have decreased by 23.6%.

The Company has a practice of paying dividends to shareholders based on the amount of underlying profit attributable to shareholders for the year and makes no reference to any valuation gain or loss on investment properties. Over the last decade, the Company has consistently paid to shareholders annual dividends of about 50% of the underlying profit for each of those years. Barring unforeseen circumstances or any major funding needs, the Company intends to maintain such dividend practice. In respect of 2015, the directors have recommended a final dividend of 50 HK cents (2014: 138 HK cents) per share payable to shareholders on the Register of Members on 16 June 2016 (Hong Kong time) which, together with the interim dividend of 34 HK cents (2014: 39 HK cents) per share paid on 16 October 2015 (Hong Kong time) makes a total payment of 84 HK cents (2014: 177 HK cents) per share for the whole year.

Subject to the approval of shareholders of the proposed final dividend at the forthcoming Annual General Meeting to be held on 2 June 2016, the Register of Members will be closed from Monday, 13 June 2016 to Thursday, 16 June 2016 (Hong Kong time), both dates inclusive, during which period no share transfers can be registered. To qualify for the final dividend, share transfers to be dealt with must be lodged with the Company's Share Registrars, Tricor Progressive Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:00 p.m. on Friday, 10 June 2016 (Hong Kong time). Dividend warrants will be sent to shareholders on 24 June 2016 (Hong Kong time).

BUSINESS STRATEGY

The Group's current business strategy is to focus on the operation of its department stores business and the enhancement of rental income from its commercial property investments. These are the Group's core businesses and the primary profit contributors. With Wing On Department Stores being a household name and having a presence of over 100 years in Hong Kong, its management is well aware of and adapts timely to the ever changing needs of its discerning customers. The Group is confident that its department stores will continue to serve its customers well. In addition to its core business activities, the Group also engages in securities investments mainly in listed blue chip shares. With its sound financials, the Group will continue to strengthen its core business activities and look for opportunities to expand its business and to improve its earnings.

LIQUIDITY AND FINANCIAL RESOURCES

Overall Financial Position

Shareholders' equity at 31 December 2015 was HK$14,856.2 million, an increase of 2.2% as compared to that at 31 December 2014. With cash and listed marketable securities at 31 December 2015 of about HK$3,448.5 million as well as available banking facilities, the Group has sufficient liquidity to meet its current commitments and working capital requirements.

Borrowings and Charges on Group Assets

At 31 December 2015, the Group's total borrowings amounted to HK$250.3 million, a decrease of about HK$71.3 million, due to partial repayments and exchange differences, as compared to that at 31 December 2014. The Group's total borrowings of HK$250.3 million relate to a mortgage loan for Australian investment properties. The bulk of the borrowings will be repayable by the end of 2017. The management will renegotiate the repayment schedule nearer the time. Certain assets, comprising principally property interests with a book value of HK$2,433.1 million, have been pledged to banks as collateral security for banking facilities granted to the extent of HK$251.0 million. In view of the existing strong cash position, the Group does not anticipate any liquidity problems.

Gearing Ratio

The gearing ratio, which is computed from the total borrowings of the Group divided by shareholders' equity of the Group at 31 December 2015, was 1.7% as compared with 2.2% at 31 December 2014.

Funding and Treasury Policies

The Group adopts a prudent funding and treasury policy. To minimise exposure to foreign exchange fluctuations, the Group's borrowings in Australia for its Melbourne investment properties are denominated in Australian dollars. Hence, the foreign exchange exposure is limited to the net investments in overseas subsidiaries of approximately HK$2,111.3 million at 31 December 2015 (at 31 December 2014: HK$2,108.1 million).

The Group's borrowings are on a floating rate basis. For overseas borrowings, when appropriate and at times of interest rate uncertainty or volatility, hedging instruments including swaps and forwards may be used to assist in the Group's management of interest rate exposure. The Group's cash and bank balances are mainly denominated in Hong Kong dollar, United States dollar and Australian dollar.

Capital Commitments and Contingent Liabilities

At 31 December 2015, the total amount of the Group's capital expenditure commitments was HK$22.0 million (at 31 December 2014: HK$10.0 million). As at 31 December 2015, the Group had no contingent liability (at 31 December 2014: HK$nil).

2015 BUSINESS SUMMARY

Department Stores Operations

The Group's department stores business in 2015 suffered under a further general slowdown in the retail industry due to weak consumer spending. For the year ended 31 December 2015, the Group's department stores achieved a revenue of HK$1,438.5 million, a decrease of 5.5% when compared with the HK$1,521.9 million recorded in 2014. This decline was partly due to the closure of the Taikoo Shing Store in August 2015. On a same store basis, the Group's department stores managed to achieve a revenue of HK$1,301.8 million (2014: HK$1,338.2 million), a decrease of 2.7%. The Hong Kong Government's figures for the department store retail sector recorded a drop of 4.1% in 2015. While proactive and aggressive promotional and sales campaigns helped to increase customer traffic and stimulate sales in a weak retail market, operating profits decreased by 21.3% to HK$183.2 million (2014: HK$232.8 million) due mainly to the decrease in gross profit on sales and the increase in store premises rental and labour costs.

Property Investments

For the year ended 31 December 2015, the Group's property investment income amounted to HK$427.2 million (2014: HK$434.1 million). In the year under review, the Group achieved a 9.2% increase in rental income from its commercial investment properties in Hong Kong to HK$307.1 million (2014: HK$281.3 million) while the overall occupancy rate was above 95%. Income from the commercial office properties in Melbourne dropped by 23.4% to HK$110.1 million (2014: HK$143.8 million). The decrease was largely due to the weak Australian dollar as income is translated back to the Hong Kong dollar for reporting purposes. The overall occupancy rate of the Group's investment properties in Melbourne was above 95%.

Automobile Dealership Business

For the year ended 31 December 2015, the Group recorded a share of after tax profit from the associate of HK$34.3 million (2014: HK$435.1 million) which mainly included the gain of HK$22.7 million (2014: HK$3.1 million) in the associate's holding of certain marketable securities, which were issued to the associate as part of the consideration for its disposal of its subsidiary in 2014, and the profit from the associate's automobile dealership interest in the People's Republic of China of HK$1.6 million (2014: loss of HK$15.5 million). In 2014, the Group recorded a one-off gain of HK$373.9 million on disposal by the associate of its automobile dealership operations in the United States and a share of after tax profit of HK$ 65.0 million from its automobile dealership operations in the United States prior to the disposal.

Others

The Group's investments in securities recorded a loss of HK$15.3 million (2014: a gain of HK$32.4 million) in the year under review. The Group recorded a net foreign exchange loss of HK$18.7 million (2014: HK$8.4 million) in its holdings of foreign currencies and also recognised a foreign exchange gain of HK$7.6 million (2014: HK$11.9 million) upon the refund of investments from subsidiaries in Australia.

STAFF

As at 31 December 2015, the Group had a total staff of 780 (2014: 835). The Group's remuneration policies, bonus schemes, Mandatory Provident Fund schemes, etc. have not changed materially from the information disclosed in the 2014 annual report. Details of such policies will be published in the 2015 annual report.

2016 OUTLOOK

The Group expects that the business environment for the Group's core businesses in Hong Kong in 2016 will remain difficult and challenging. The Group's management will try its utmost to maintain its department stores' sales while continuing to adjust its merchandise mix to suit the changing needs of its customers. The Group's investment properties in Hong Kong and Australia will continue to provide stable rental income. Barring further drastic declines in the economy, it is anticipated that these two core businesses of the Group will continue to contribute profits to the Group. With the financial strength of the Group and the dedication of its management, the Group is able to face the challenges ahead and look for good investments when opportunities arise.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the financial year ended 31 December 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding directors' securities transactions. The Company has made specific enquiries of all directors and all directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 December 2015, the Company purchased a total of 214,000 shares of the Company on the Stock Exchange for enhancing net asset value and earnings per share of the Company. All the purchased shares were cancelled. Details of the purchases of shares are as follows:

		Purchase price per share		
Month	**Number of shares purchased**	**Highest**	**Lowest**	**Aggregate price paid**
		HK$	HK$	HK$'000
September 2015	10,000	23.70	23.45	235
November 2015	32,000	24.60	24.35	782
December 2015	172,000	25.85	25.25	4,395
	214,000			5,412

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company during the year ended 31 December 2015.

ANNUAL GENERAL MEETING

The 2016 Annual General Meeting of the Company will be held on 2 June 2016. The Notice of Annual General Meeting will be published and dispatched on or about 26 April 2016 in the manner as required by the Listing Rules.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

The 2015 Annual Report containing all the information required by the Listing Rules will be published on the Stock Exchange's website in due course.

By Order of the Board
Karl C. Kwok
Chairman

Hong Kong, 30 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. Karl C. Kwok (Chairman), Mr. Lester Kwok (Deputy Chairman and Chief Executive Officer) and Mr. Mark Kwok, the non-executive director is Dr. Bill Kwok, and the independent non-executive directors are Miss Maria Tam Wai Chu, Mr. Ignatius Wan Chiu Wong, Mr. Iain Ferguson Bruce and Mr. Leung Wing Ning.