*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

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 2016**

The board of directors of Winfair Investment Company Limited (the "Company") would like to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016. The annual results of the Group have been reviewed by the Company's audit committee.

**CONSOLIDATED INCOME STATEMENT**

*For the year ended 31 March 2016*

| | Notes | 2016<br>HK$ | 2015<br>HK$ |
|---|---|---|---|
| **Revenue** | **4** | 25,596,390 | 29,557,456 |
| Other revenue | **5** | 222,360 | 438,900 |
| Other net (loss)/income | **5** | (19,197,942) | 4,634,877 |
| Fair value gain on investment properties | | 6,790,000 | 48,110,000 |
| Administrative and general expenses | | (6,742,196) | (6,809,359) |
| Finance cost | | (613,791) | (649,760) |
| **Profit before taxation** | | 6,054,821 | 75,282,114 |
| Taxation | **6** | (2,331,989) | (2,140,621) |
| **Profit after taxation attributable to the equity shareholders of the company** | | 3,722,832 | 73,141,493 |
| **Earnings per share (Basic and diluted)** | **7** | HK$0.09 | HK$1.83 |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
*FOR THE YEAR ENDED 31 MARCH 2016*

| | **2016** **HK$** | **2015** **HK$** |
|---|---|---|
| **Profit for the year** | 3,722,832 | 73,141,493 |
| **Other comprehensive income for the year** | | |
| *Items that will not be classified subsequently to profit or loss* | | |
| Impairment losses on available-for-sale financial assets recognised in profit or loss | 7,940,000 | - - |
| *Items that may be reclassified subsequently to profit or loss* | | |
| (Decrease)/increase in fair value of available-for-sale financial assets | (15,701,770) | 10,000,127 |
| Release of fair value reserve upon disposal of available-for-sale financial assets | (838,590) | (1,218,271) |
| | (8,600,360) | 8,781,856 |
| **Total comprehensive income, net of tax, for the year attributable to equity shareholders of the company** | (4,877,528) | 81,923,349 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
*As at 31 March 2016*

| | | 2016 | | 2015 | |
|---|---|---|---|---|---|
| | **Notes** | **HK$** | **HK$** | **HK$** | **HK$** |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | | | 1,860,385 | | 1,936,310 |
| Investment properties | | | 586,500,000 | | 579,710,000 |
| Properties held for or under development | | | 12,410,000 | | 12,300,000 |
| Available-for-sale financial assets – equity shares listed in Hong Kong | | | 98,752,928 | | 97,852,337 |
| | | | 699,523,313 | | 691,798,647 |
| **Current assets** | | | | | |
| Trading securities – equity shares listed in Hong Kong | | 49,895,681 | | 48,070,603 | |
| Trade and other receivables | **8** | 5,102,851 | | 7,638,634 | |
| Tax recoverable | | - - | | 1,072 | |
| Cash and bank balances | | 33,801,458 | 88,799,990 | 53,214,835 | 108,925,144 |
| **Current liabilities** | | | | | |
| Trade and other payables | **9** | 5,375,994 | | 5,066,688 | |
| Bank borrowings – secured | **10** | 26,314,000 | | 28,243,600 | |
| Tax payable | | 208,510 | | 637,537 | |
| Provision for long service payments | | 951,000 | (32,849,504) | 943,000 | (34,890,825) |
| **Net current assets** | | | 55,950,486 | | 74,034,319 |
| **Total assets less current liabilities** | | | 755,473,799 | | 765,832,966 |
| **Non-current liabilities** | | | | | |
| Provision for long service payments | | 118,000 | | 113,000 | |
| Deferred taxation | | 842,694 | (960,694) | 774,546 | (887,546) |
| **NET ASSETS** | | | 754,513,105 | | 764,945,420 |
| **CAPITAL AND RESERVES** | | | | | |
| Share capital | **11** | | 40,000,000 | | 40,000,000 |
| Reserves | | | 714,513,105 | | 724,945,420 |
| | | | 754,513,105 | | 764,945,420 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 MARCH 2016*

| | Attributable to equity shareholders of the company | | | | |
|---|---|---|---|---|---|
| | **Share capital HK$** | **Capital reserve HK$** | **Fair value reserve HK$** | **Retained profits HK$** | **Total HK$** |
| **At 1 April 2014** | 40,000,000 | 251,046 | 29,529,450 | 617,961,405 | 687,741,901 |
| Profit for the year | - - | - - | - - | 73,141,493 | 73,141,493 |
| Other comprehensive income for the year | | | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | | | |
| - Increase in fair value of available-for-sale financial assets | - - | - - | 10,000,127 | - - | 10,000,127 |
| - Release of fair value reserve upon disposal of available-for-sale financial assets | - - | - - | (1,218,271) | - - | (1,218,271) |
| Total comprehensive income for the year | - - | - - | 8,781,856 | 73,141,493 | 81,923,349 |
| Dividends paid | | | | | |
| - 2013/14 final dividend (HK$0.10 per share) | - - | - - | - - | (4,000,000) | (4,000,000) |
| - 2014/15 interim dividend (HK$0.02 per share) | - - | - - | - - | (800,000) | (800,000) |
| Unclaimed dividend forfeited | - - | - - | - - | 80,170 | 80,170 |
| **At 31 March 2015 and 1 April 2015** | 40,000,000 | 251,046 | 38,311,306 | 686,383,068 | 764,945,420 |
| Profit for the year | - - | - - | - - | 3,722,832 | 3,722,832 |
| Other comprehensive income for the year | | | | | |
| *Items that will not be classified subsequently to profit or loss* | | | | | |
| - Impairment losses on available-for-sale financial assets | - - | - - | 7,940,000 | - - | 7,940,000 |
| *Items that may be reclassified subsequently to profit or loss* | | | | | |
| - Decrease in fair value of available-for-sale financial assets | - - | - - | (15,701,770) | - - | (15,701,770) |
| - Release of fair value reserve upon disposal of available-for-sale financial assets | - - | - - | (838,590) | - - | (838,590) |
| Total comprehensive income for the year | - - | - - | (8,600,360) | 3,722,832 | (4,877,528) |
| Dividends paid | | | | | |
| - 2014/15 final dividend (HK$0.12 per share) | - - | - - | - - | (4,800,000) | (4,800,000) |
| - 2015/16 interim dividend (HK$0.02 per share) | - - | - - | - - | (800,000) | (800,000) |
| Unclaimed dividend forfeited | - - | - - | - - | 45,213 | 45,213 |
| **At 31 March 2016** | 40,000,000 | 251,046 | 29,710,946 | 684,551,113 | 754,513,105 |

*Notes*

## 1. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost convention, as modified by the fair value of investment properties, properties held for or under development, available-for-sale financial assets and trading securities, and in accordance with 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. The financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance ("the Companies Ordinance") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").

The financial information relating to the years ended 31 March 2016 and 2015 included in this announcement does not constitute the Company's statutory annual consolidated financial statements for these two years but is derived from those consolidated financial statements. Further information relating to these statutory accounts required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 March 2015 to the Registrar of Companies of Hong Kong as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 March 2016 to the Registrar of Companies of Hong Kong within the prescribed time limit.

The Company's auditor has reported on those consolidated financial statements of the Company for both years ended 31 March 2016 and 2015. The auditor's reports were unqualified; did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

## 2. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the group has applied, for the first time the following amendments and improvements to HKFRSs and interpretation to accounting standard issued by the HKICPA which are effective for the group's financial year beginning on 1 April 2015:

| | |
|---|---|
| Amendments to HKAS 19 | Employee benefits: Defined benefit plans: Employee contributions |
| Annual improvements to HKFRSs 2010-2012 Cycle | |
| Annual improvements to HKFRSs 2011-2013 Cycle | |

The application of amendments and improvements to HKFRSs and interpretation in the current year has no material impact on the group's financial position and results for the current and prior years.

## 2. ADOPTION OF NEW AND REVISED HKFRSs (Cont'd)

<u>Standards, amendments and interpretations not effective</u>

The HKICPA has issued the following new and revised standards, improvements and amendments which are not effective for the group's and the company's financial statements for the year ended 31 March 2016:

| | | **Effective for accounting periods beginning on or after** |
|---|---|---|
| HKFRS 9 | Financial Instruments | 1 January 2018 |
| HKFRS 10 and HKAS 28 (Amendments) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 1 January 2016 |
| HKFRS 10, HKFRS 12 and HKAS 28 (Amendments) | Investment Entities: Applying the Consolidation Exception | 1 January 2016 |
| HKFRS 11 (Amendments) | Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| HKFRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| HKFRS 15 | Revenue from Contracts with Customers | 1 January 2018 |
| HKFRS 16 | Leases | 1 January 2019 |
| HKAS 1 (Amendments) | Disclosure Initiative | 1 January 2016 |
| HKAS 16 and HKAS 38 (Amendments) | Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| HKAS 16 and HKAS 41 (Amendments) | Agriculture: Bearer Plants | 1 January 2016 |
| HKAS 27 (Amendments) | Equity Method in Separate Financial Statements | 1 January 2016 |
| Annual improvements to HKFRSs 2012-2014 Cycle | | 1 January 2016 |

The group has not early adopted any new or revised standards, improvements or amendments that are not effective for the current accounting year.

The group is in the process of making an assessment of the impact of these new and revised standards, improvements and amendments to standards and is not yet in a position to state the impact on the group's results and financial position upon adoption.

## 3. SEGMENT INFORMATION

For the purpose of assessing segment performance and making decision about operating matters, the group's chief operating decision maker based on the internal reports about operating segments of the group to allocate resources and assess their performance and manage the group's reportable segments.

The group regards the Executive Directors as the chief operating decision maker.

The principal activities of each segment are as follows:

Securities investment – securities investment for short-term and long-term
Property leasing – letting properties
Property development – developing properties

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

| | Securities investments | | Property leasing | | Property development | | Consolidated total | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | HK$ | HK$ | HK$ | HK$ | HK$ | HK$ | HK$ | HK$ |
| **STATEMENT OF PROFIT OR LOSS** | | | | | | | | |
| Segment revenue - from external customer | 6,798,027 | 11,681,111 | 18,798,363 | 17,876,345 | - - | - - | 25,596,390 | 29,557,456 |
| Segment results | (7,598,977) | 13,322,168 | 14,980,813 | 14,160,167 | 57,903 | 9,521 | 7,439,739 | 27,491,856 |
| Gain on disposal of available-for-sale financial assets | 1,551,615 | 1,326,023 | - - | - - | - - | - - | 1,551,615 | 1,326,023 |
| Fair value gain on investment properties | - - | - - | 6,790,000 | 48,110,000 | - - | - - | 6,790,000 | 48,110,000 |
| Fair value gain/(loss) on properties held for or under development | - - | - - | - - | - - | 10,000 | (17,250) | 10,000 | (17,250) |
| Impairment losses on available-for-sale financial assets | (7,940,000) | - - | - - | - - | - - | - - | (7,940,000) | - - |
| Results before interest, tax and corporate expenses | (13,987,362) | 14,648,191 | 21,770,813 | 62,270,167 | 67,903 | (7,729) | 7,851,354 | 76,910,629 |
| Interest income | | | | | | | 103,560 | 197,400 |
| Interest expense | | | | | | | (613,791) | (649,760) |
| Unallocated corporate expenses | | | | | | | (1,286,302) | (1,176,155) |
| **Profit before taxation** | | | | | | | 6,054,821 | 75,282,114 |
| Taxation | | | | | | | (2,331,989) | (2,140,621) |
| **Profit after taxation** | | | | | | | 3,722,832 | 73,141,493 |

Revenue and expenses are allocated to the operating segments by reference to revenue generated by those segments and the expenses incurred by those segments including depreciation and impairment losses attributable to those segments.

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

The group's customer base is diversified and includes one tenant of leasing properties with whom transactions have exceeded 10% of the group's revenues amounted to approximately HK$4.4 million (2015: HK$3.9 million).

## 3. SEGMENT INFORMATION (Cont'd)

An analysis of the group's segment assets and liabilities are as follows:

| | Securities investments | | Property leasing | | Property development | | Consolidated total | |
|---|---|---|---|---|---|---|---|---|
| | 2016 HK$ | 2015 HK$ | 2016 HK$ | 2015 HK$ | 2016 HK$ | 2015 HK$ | 2016 HK$ | 2015 HK$ |
| **STATEMENT OF FINANCIAL POSITION** | | | | | | | | |
| **Assets** | | | | | | | | |
| Segment assets | 151,109,274 | 153,696,257 | 593,862,649 | 584,607,434 | 12,446,737 | 12,340,605 | 757,418,660 | 750,644,296 |
| Tax recoverable | - - | - - | - - | - - | - - | 1,072 | - - | 1,072 |
| | 151,109,274 | 153,696,257 | 593,862,649 | 584,607,434 | 12,446,737 | 12,341,677 | 757,418,660 | 750,645,368 |
| Unallocated corporate assets | | | | | | | 30,904,643 | 50,078,423 |
| **Consolidated total assets** | | | | | | | 788,323,303 | 800,723,791 |
| **Liabilities** | | | | | | | | |
| Segment liabilities | 702,546 | 752,372 | 30,909,653 | 32,438,543 | 83,000 | 103,200 | 31,695,199 | 33,294,115 |
| Tax payable and deferred taxation | - - | - - | 1,050,834 | 1,409,875 | 370 | 2,208 | 1,051,204 | 1,412,083 |
| | 702,546 | 752,372 | 31,960,487 | 33,848,418 | 83,370 | 105,408 | 32,746,403 | 34,706,198 |
| Unallocated corporate liabilities | | | | | | | 1,063,795 | 1,072,173 |
| **Consolidated total liabilities** | | | | | | | 33,810,198 | 35,778,371 |
| **OTHER INFORMATION** | | | | | | | | |
| Capital expenditure | 2,572 | - - | 4,978 | 4,415 | 100,000 | 17,250 | 107,550 | 21,665 |
| Purchase of available-for-sale financial assets | 18,184,361 | 3,957,311 | - - | - - | - - | - - | 18,184,361 | 3,957,311 |
| Loss on disposal of property, plant and equipment | 2,050 | - - | 253 | 2,143 | - - | - - | 2,303 | 2,143 |
| Depreciation | 1,397 | 1,646 | 79,775 | 80,145 | - - | - - | 81,172 | 81,791 |
| Fair value (loss)/gain on trading securities | (12,819,557) | 3,326,104 | - - | - - | - - | - - | (12,819,557) | 3,326,104 |
| Fair value (loss)/gain on available-for-sale financial assets | (15,701,770) | 10,000,127 | - - | - - | - - | - - | (15,701,770) | 10,000,127 |
| Impairment losses on available-for-sale financial assets | 7,940,000 | - - | - - | - - | - - | - - | 7,940,000 | - - |

Segment assets principally comprise all tangible assets and current assets directly attributable to each segment with the exception of certain corporate assets (including fixed deposits and bank accounts). Segment liabilities include all liabilities and borrowing directly attributable to and managed by each segment with the exception of certain corporate liabilities.

## 4. REVENUE

| | 2016 HK$ | 2015 HK$ |
|---|---|---|
| Gross rental income from investment properties | 18,798,363 | 17,876,345 |
| Dividend income from share investments listed in Hong Kong | | |
| - trading securities | 2,638,018 | 2,128,023 |
| - available-for-sale financial assets | 4,009,682 | 4,905,572 |
| | 6,647,700 | 7,033,595 |
| Net result of trading in securities | 150,327 | 4,647,516 |
| | 25,596,390 | 29,557,456 |

## 5. OTHER REVENUE AND OTHER NET (LOSS)/INCOME

| | 2016 HK$ | 2015 HK$ |
|---|---|---|
| **Other revenue** | | |
| Bank interest income | 103,560 | 197,400 |
| Sundry income | 118,800 | 241,500 |
| | 222,360 | 438,900 |
| **Other net (loss)/income** | | |
| Gain on disposal of available-for-sale financial assets | 1,551,615 | 1,326,023 |
| Fair value (loss)/gain on trading securities | (12,819,557) | 3,326,104 |
| Fair value gain/(loss) on properties held for or under development | 10,000 | (17,250) |
| Impairment losses on available-for-sale financial assets | (7,940,000) | - - |
| | (19,197,942) | 4,634,877 |

## 6. TAXATION

| | 2016 HK$ | 2015 HK$ |
|---|---|---|
| **Current income tax** | | |
| Provision for Hong Kong Profits Tax for current year | 2,363,900 | 2,141,500 |
| Over-provision for prior years | (100,059) | (58,439) |
| | 2,263,841 | 2,083,061 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | 68,148 | 57,560 |
| Total income tax | 2,331,989 | 2,140,621 |

Provision for Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) on the estimated assessable profit for the year.

## 7. Earnings per share

The calculation of basic earnings per share is based on the consolidated profit after tax of HK$3,722,832 (2015: HK$73,141,493) and on 40,000,000 (2015: 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 (2015: Nil).

## 8. TRADE AND OTHER RECEIVABLES

| | 2016 HK$ | 2015 HK$ |
|---|---|---|
| Rental receivables | | |
| - Within 30 days | 247,407 | 243,462 |
| - Within 31 days to 60 days | 153,737 | 111,600 |
| - Within 61 days to 90 days | 111,600 | 111,600 |
| - Within 91 days to 180 days | 111,600 | 1,500 |
| | 624,344 | 468,162 |
| Other receivables | 1,343,927 | 6,834,166 |
| Rental and receivables, unimpaired | 1,968,271 | 7,302,328 |
| Deposits and prepayments | 3,134,580 | 336,306 |
| | 5,102,851 | 7,638,634 |

Normally, monthly rentals are payable in advance by tenants in accordance with the leases. Except for the rental receivable amounting to HK$111,600 (2015: HK$1,500), the rental receivables and other receivables of the group were current and were aged less than 90 days. The ageing analysis is based on first date on each month in accordance with the leases. The group does not hold any collateral over these balances.

## 9. TRADE AND OTHER PAYABLES

| | **2016 HK$** | **2015 HK$** |
|---|---|---|
| Rental deposits received | 3,310,904 | 3,066,140 |
| Receipts in advance | 182,553 | 145,893 |
| Unclaimed dividends | 307,403 | 303,586 |
| Accrued expenses | 1,575,134 | 1,551,069 |
| | 5,375,994 | 5,066,688 |

## 10. BANK BORROWINGS, SECURED

The bank loans are repayable as follows:

| | **2016 HK$** | **2015 HK$** |
|---|---|---|
| **Current liabilities** | | |
| Within one year | 1,929,600 | 1,929,600 |
| After one year but not exceeding two years | 1,929,600 | 1,929,600 |
| After two years but not exceeding five years | 22,454,800 | 14,129,400 |
| After five years | - - | 10,255,000 |
| | 26,314,000 | 28,243,600 |

## 10. BANK BORROWINGS, SECURED (Cont'd)

The bank loans bear interest at 2% above Hong Kong Interbank Offered Rate, or 1% per annum below Hong Kong Dollars Best Lending Rate of a commercial bank in Hong Kong. During the year, interest on bank borrowings was HK$613,791 (2015: HK$649,760).

The group needs to fulfill certain covenants on loan-to-security value ratio. If the group were to breach the covenants, the drawn down facilities would become payable on demand and the rent of the pledged properties collected by the bank. The group regularly monitors its compliance with these covenants. As at 31 March 2016, none of the covenants was breached.

The company has executed a corporate guarantee amounting to HK$82,900,000 (2015: HK$82,900,000) in favour of a bank for securing the loans of the group. The bank loans are renewable annually and have been renewed subsequently after the year end.

The directors consider the carrying amount of the bank borrowings approximates its fair value.

## 11. SHARE CAPITAL

| | 2016 | | 2015 | |
|---|---|---|---|---|
| | **No. of shares** | **Amount HK$** | **No. of shares** | **Amount HK$** |
| **Issued and fully paid** | | | | |
| Ordinary shares | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |

## 12. DIVIDENDS

| | **2016 HK$** | **2015 HK$** |
|---|---|---|
| Dividends attributable to the year - | | |
| Interim dividend at HK$0.02 (2015: HK$0.02) per share paid during the year | 800,000 | 800,000 |
| Final dividend at HK$0.12 (2015: HK$0.12) per share proposed after the reporting period | 4,800,000 | 4,800,000 |
| | 5,600,000 | 5,600,000 |
| Unclaimed dividend forfeited (Note (a)) | (45,213) | (80,170) |
| | 5,554,787 | 5,519,830 |

*Note (a)* *Pursuant to Article 145 of the Articles of Association of the company, on 29 March 2016 the board of directors resolved that the dividends for the financial years 2008/09 to 2009/10 amounting to HK$45,213 payable on or before 19 January 2010 remained unclaimed on 29 March 2016 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.*

## DIVIDENDS

In January 2016, the Company paid an interim dividend of HK$0.02 (2015: HK$0.02) per share, totaling HK$800,000 (2015: HK$800,000).

The board will propose in the Annual General Meeting to be held on 29 August 2016 the payment of a final dividend of HK$0.12 (2015: HK$0.12) per share in respect of the year ended 31 March 2016, absorbing a total amount of HK$4,800,000 (2015: HK$4,800,000). It is proposed that the dividend cheque will be dispatched on or about 23 September 2016 to the shareholders whose names are on the Register of Members on 9 September 2016.

## 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 Wednesday, 24 August 2016 to Monday, 29 August 2016, 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 Tuesday, 23 August 2016.

The register of members of the Company will also be closed from Thursday, 8 September 2016 to Friday, 9 September 2016, 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 2016. 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 Wednesday, 7 September 2016.

## CORPORATE GOVERNANCE PRACTICE

Save for the exceptions below, the Company has complied with all Code Provisions set out in the "Corporate Governance Code" contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2016 and up to the latest practicable date prior to the publication of this announcement:

1. The Group has not designated any chief executive. Generally, 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 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;

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;

4. The Group has not arranged insurance cover in respect of legal action against its directors as the Board considers that the Board adopts prudent management policy. The need for insurance policy will be reviewed from time to time; and

5. The formal letters of appointment for all directors setting out the key terms and conditions of their appointments was made in October 2015.

## 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.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### Results

For the year under review, the revenue of the Group decreased by HK$3,961,066 (or 13.4%), to HK$25,596,390. The Group's profit for the year decreased by HK$69,418,661 (or 94.9%), to HK$3,722,832. The decrease was mainly due to a fair value loss on trading securities, an impairment loss on available-for-sale financial assets and a decrease in revaluation gain of investment properties as a result of downturn of the securities and property markets in Hong Kong.

### Property investment

The rental income and the result (excluding a revaluation gain of HK$6,790,000) of the Group's property leasing business increased by HK$922,018 (or 5.2%) and HK$820,646 (or 5.8%) to HK$18,798,363 and HK$14,980,813 respectively, as compared to last year.

The Group recorded a smaller fair value gain on the Group's investment properties valuation this year. As at 31 March 2016, the Group's investment properties portfolio increased by HK$6,790,000 (or 1.2%) to HK$586,500,000 (2015: HK$579,710,000).

In January 2016, the Group signed a Memorandum of Understanding with the existing shareholders of Champrix Limited (the "Target Company") for the acquisition of the entire issued shares of the Target Company at a consideration of HK$56,000,000 (the "Acquisition"). The Target Company mainly holds a property located at No. 66 Ma Tau Chung Road for rental purpose. However, as the due diligence in relation to the Target Company's business, finance, legal and other aspects had not been satisfied, the Acquisition was finally cancelled, as announced on 10 May 2016.

### Property development

The Group recorded a fair value gain of HK$10,000 (2015: fair value loss of HK$17,250) on property held for or under development. The application of proposed change of use of land, from agricultural to residential, of Lot Nos. 42RP and 122RP in D.D. 121, Ping Shan, Yuen Long is still in progress. The Group will continue to explore potential opportunities for re-development purpose.

### Share investments and dividend income

Dividend income decreased by HK$385,895 (or 5.5%) to HK$6,647,700 as compared to last year. The decrease was primarily due to the absence of one-off special dividends received from certain listed shares investments.

During the year, the Group recorded gains on disposals of trading securities and available-for-sale financial assets in the amounts of HK$150,327 and HK$1,551,615 respectively (2015: HK$4,647,516 and HK$1,326,023).

**Share investments and dividend income (Cont'd)**

In the second quarter of this financial year, as the China's economic growth had slowed down and the Yuan had been gradually devalued, the securities market in Hong Kong immediately suffered an adverse impact. The Group's shares investment portfolio (both for trading and long-term investment purpose) was inevitably decreased following the current securities market conditions. The Group reported an unrealised loss on trading securities of HK$12,819,557 (2015: unrealised gain of HK$3,326,104) in the statement of profit or loss and an unrealised loss on available-for-sale financial assets of HK$15,701,770 (2015: unrealised gain of HK$10,000,127) in the statement of other comprehensive income. Faced with the persistently adverse and volatile securities market conditions afterwards, the Group made a provision for impairment loss on available-for-sale financial assets of HK$7,940,000 (2015: Nil) during the year.

In order to strengthen and diversify the shares investment portfolio, the Group purchased certain listed securities at total cost of approximate of HK$18,000,000 and HK$15,000,000 for long-term and trading purposes respectively. As at 31 March 2016, the Group's listed share investment portfolios had an aggregate fair value of HK$148,648,609 (2015: HK$145,922,940).

**Liquidity and financial resources**

As at 31 March 2016, the Group's total bank borrowings were HK$26,314,000, which is wholly repayable within 5 years. (2015: HK$28,243,600, of which amounting to HK$17,988,600 were repayable within 5 years and others of HK$10,255,000 were wholly repayable after 5 years.) The Group's gearing ratio, which was taken as bank borrowings to total shareholders' equity, decreased from 3.7% to 3.5%. The Group also had banking credit facilities of HK$50,000,000 which had not been utilized. The Group's banking facilities are subject to review annually and will be due for negotiation in April 2017. During the past year, the Group diligently monitored its compliance with the lending bank's covenants on loan-to-security value ratio.

As at 31 March 2016, the Group held an amount of HK$33,801,458 in cash (2015: HK$53,214,835). The management of the Company continues to operate under a prudent financial policy and will implement all necessary measures to ensure that the Group maintains adequate cash and appropriate credit facilities to meet its future operating and project development expenditure, and loan repayment obligations. The management will activate additional credit facilities for the Group's acquisition, when necessary. In the long run, the Group will continue to adopt an optimum financial structure for the best interests of its shareholders in light of changes in economic conditions.

**Assets pledged**

As at 31 March 2016, the Group's investment properties with an aggregate carrying value of HK$194,000,000 (2015: HK$196,880,000) were pledged to a bank to secure general banking facilities granted to the Group.

**Events after the end of the reporting period**

On 10 May 2016, Wing Tai Investment Limited, a wholly-owned subsidiary of the Company terminated the Acquisition of the entire issued shares of Champrix Limited.

Save as disclosed above, there are no other events after the end of the reporting period that either require adjustment to the financial statements or are important to the understanding of the Company's and the Group's current position.

## PROSPECTS

This year, the Group generated satisfactory rental income in our leasing business. However, due to the sluggish economic environment in Hong Kong and continual implementation of additional stamp duty measure on the Hong Kong property, in general, the vacancy rates of business retailing shops in core area in Hong Kong has increased and there is tendency of downward pressure on rental. The management expects such business environment will continue in the short run and will adversely affect our annual rental income and market value of investment properties. On the other hand, it may be a good opportunity for the Group to seek for high yield property investments for rental purpose or for re-development purpose. The Group will keep its current business strategy plan for identifying high yield property investments and at the same time evaluating and balancing the risk and return for each potential investment.

Up to date, there is no apparent sign or statistics showing significant improvement in global economic growth as well as China's and local economic growth. Faced with a down turn of the China economy and devaluing of Yuan, the management expects that the securities market to remain volatile as a result of more uncertainty arising. The Group will keep watch of prevailing market changes and make appropriate strategic adjustments to the Group's assets portfolio in order to realize the returns of the shareholders of the Company.

By Order of the Board

**Ng See Wah**
Chairman

Hong Kong, 30 June 2016

*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, Dr. Ng Chi Yeung, Simon and Ms. Chan Suit Fei, Esther, and Ms. Ng Kwok Fun is alternate director to Mr. Ng See Wah .*