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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)

ANNOUNCEMENT OF FINAL RESULTS

FOR THE YEAR ENDED 31 MARCH 2018

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 2018. The annual results of the Group have been reviewed by the Company's audit committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2018

	Notes	2018 HK$	2017 HK$
Revenue	4	27,225,759	26,282,786
Other revenue	5	1,073,229	219,676
Other net income	5	297,310,739	17,799,721
Fair value gain on investment properties		44,500,000	16,300,000
Administrative and general expenses		(5,938,279)	(6,674,096)
Finance cost		(612,580)	(594,015)
Profit before taxation		363,558,868	53,334,072
Taxation	6	(2,372,720)	(2,385,403)
Profit after taxation attributable to the equity shareholders of the company		361,186,148	50,948,669
Earnings per share (Basic and diluted)	7	HK$9.03	HK$1.27

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	2018 HK$	2017 HK$
Profit for the year	361,186,148	50,948,669
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	10,242,413	15,758,838
Release of fair value reserve upon disposal of available-for-sale financial assets	(4,495,545)	(4,554,638)
	5,746,868	11,204,200
Total comprehensive income, net of tax, for the year attributable to equity shareholders of the company	366,933,016	62,152,869

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$	2018 HK$	2017 HK$	2017 HK$
ASSETS					
Non-current assets					
Property, plant and equipment			1,712,827		1,788,344
Investment properties	8		514,100,000		602,800,000
Properties held for or under development	9		4,890,000		15,100,000
Available-for-sale financial assets – equity shares listed in Hong Kong	10		115,597,818		107,551,460
Deposits for acquisition of investment properties			27,040,000		- -
			663,340,645		727,239,804
Current assets					
Trading securities – equity shares listed in Hong Kong		69,225,212		59,250,891	
Trade and other receivables	11	2,541,616		2,240,651	
Tax recoverable		3,099		26,403	
Cash and bank balances		462,390,765	534,160,692	54,241,232	115,759,177
Current liabilities					
Trade and other payables	12	5,466,833		6,362,017	
Bank borrowings – secured	13	22,454,800		24,384,400	
Tax payable		147,066	(28,068,699)	112,162	(30,858,579)
Net current assets			506,091,993		84,900,598
Total assets less current liabilities			1,169,432,638		812,140,402
Non-current liabilities					
Provision for long service payments		118,000		118,000	
Deferred taxation		826,045	(944,045)	910,615	(1,028,615)
NET ASSETS			1,168,488,593		811,111,787
CAPITAL AND RESERVES					
Share capital	14		40,000,000		40,000,000
Reserves			1,128,488,593		771,111,787
			1,168,488,593		811,111,787

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	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 2016	40,000,000	251,046	29,710,946	684,551,113	754,513,105
Profit for the year	- -	- -	- -	50,948,669	50,948,669
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	- -	- -	15,758,838	- -	15,758,838
- Release of fair value reserve upon disposal of available-for-sale financial assets	- -	- -	(4,554,638)	- -	(4,554,638)
Total comprehensive income for the year	- -	- -	11,204,200	50,948,669	62,152,869
Dividends paid					
- 2015/16 final dividend (HK$0.12 per share)	- -	- -	- -	(4,800,000)	(4,800,000)
- 2016/17 interim dividend (HK$0.02 per share)	- -	- -	- -	(800,000)	(800,000)
Unclaimed dividend forfeited	- -	- -	- -	45,813	45,813
At 31 March 2017 and 1 April 2017	40,000,000	251,046	40,915,146	729,945,595	811,111,787
Profit for the year	- -	- -	- -	361,186,148	361,186,148
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	- -	- -	10,242,413	- -	10,242,413
- Release of fair value reserve upon disposal of available-for-sale financial assets	- -	- -	(4,495,545)	- -	(4,495,545)
Total comprehensive income for the year	- -	- -	5,746,868	361,186,148	366,933,016
Dividends paid					
- 2016/17 final dividend (HK$0.12 per share)	- -	- -	- -	(4,800,000)	(4,800,000)
- 2017/18 interim dividend (HK$0.02 per share)	- -	- -	- -	(800,000)	(800,000)
- 2017/18 interim special dividend (HK$0.10 per share)	- -	- -	- -	(4,000,000)	(4,000,000)
Unclaimed dividend forfeited	- -	- -	- -	43,790	43,790
At 31 March 2018	40,000,000	251,046	46,662,014	1,081,575,533	1,168,488,593

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 2018 and 2017 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 2017 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 2018 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 2018 and 2017. 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 2017:

HKAS 7 (Amendments)	Statement of Cash Flows – Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

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, except an amendment to HKAS 7 Statement of Cash Flows: Disclosure initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Additional disclosure has been included in the note to the financial statements.

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

Standards, amendments and interpretations not effective

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 2018:

		Effective for accounting periods beginning on or after
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment transactions	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
HKAS 28 (Amendments)	Long-term interests in Associates and Joint Ventures	1 January 2019
HKAS 40 (Amendments)	Investment Property: Transfers of Investment Property	1 January 2018
HK(IFRIC) 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK(IFRIC) 23	Uncertainty over Income Tax Treatments	1 January 2019
HKFRS 10 & HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Annual Improvement 2014-16 Cycle	Improvements to HKFRSs in relation to HKAS 28 "Investments in Associates and Joint Ventures"	1 January 2018
Annual Improvement 2015-17 Cycle	Improvements to HKFRSs	1 January 2019

The Group has not early applied the new or revised standards, amendments or interpretations that have been issued but are not yet effective for the current accounting year.

Based on the preliminary assessment, the following standard issued but not yet effective and applied by the Group is relevant to the Group:

HKFRS 9 Financial instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets. The Group adopts this new standard with effect on 1 April 2018.

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

Standards, amendments and interpretations not effective (Cont'd)

HKFRS 9 Financial instrument (Cont'd)

Key requirements of HKFRS 9 which are relevant to the Group:

(a) Measurement and recognition

All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss. Impairment test is no longer required for FVTOCI equity securities.

Based on the preliminary assessment, the directors of the company expect that its "Trading Securities" currently measured at fair value through profit or loss ("FVTPL") will continue to be measured on the same basis under HKFRS 9.

With respect to the Group's financial assets currently classified as "available-for-sale financial assets", these are investments in equity securities which the group may classify as either FVTPL or irrecoverably elect to designate as FVTOCI (without recycling) on transition to HKFRS 9. The Group intends to elect to designate these investments as FVTOCI equity securities as the Group holds these investments for long-term and strategic purpose. This election has no impact on the measurement of these assets. Once the election is made the fair value gains or losses accumulated in the fair value reserve account will not be reclassified to profit or loss upon disposal, which is different from the current accounting treatment. This change in policy will have no significant impact on the Group's net assets, but will affect the future reported performance amounts such as profit and earnings per share after the adoption of HKFRS 9.

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

Standards, amendments and interpretations not effective (Cont'd)

HKFRS 9 Financial instrument (Cont'd)

(b) Impairment of Financial Assets

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss ("ECL") model, as opposed to an incurred credit loss model under HKAS 39. The ECL model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. The new impairment model may result in an earlier recognition of credit losses on the group's rental receivables and other financial assets.

The new standard also expands disclosure requirement and changes in presentation, which will be reflected in the year of adoption.

Changes in accounting policies resulting from the adoption of HKFRS 9 will be generally applied retrospectively, except for hedging account and where the standard provides transition exemptions. As the Group plans to apply the transition exemptions, comparative information for prior periods with respect to classification and measurement (including impairment) will not be restated and differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 will generally be recognized as an adjustment to the opening balance of retained profit (or other component of equity) in the year of adoption, i.e. on 1 April 2018.

Other than as described above, the directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations issued but not yet effective will have no material impact on the results and financial position of the Group.

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 investments 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	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
STATEMENT OF PROFIT OR LOSS								
Segment revenue - from external customer	8,285,556	7,193,727	18,940,203	19,089,059	- -	- -	27,225,759	26,282,786
Segment results	17,803,328	14,745,036	15,816,328	15,244,174	(6,384)	76,735	33,613,272	30,065,945
Gain on disposal of available-for-sale financial assets	6,304,733	6,355,753	- -	- -	- -	- -	6,304,733	6,355,753
Gain on disposal of investment properties	- -	- -	181,961,940	- -	- -	- -	181,961,940	- -
Fair value gain on investment properties	- -	- -	44,500,000	16,300,000	- -	- -	44,500,000	16,300,000
Fair value gain on properties held for or under development	- -	- -	- -	- -	2,722,592	2,290,501	2,722,592	2,290,501
Results before interest, tax and corporate expenses	24,108,061	21,100,789	242,278,268	31,544,174	2,716,208	2,367,236	269,102,537	55,012,199
Gain on disposal of subsidiary							95,702,400	- -
Disposal-related cost							(312,770)	- -
Interest income							915,055	91,676
Interest expense							(612,580)	(594,015)
Unallocated corporate expenses							(1,235,774)	(1,175,788)
Profit before taxation							363,558,868	53,334,072
Taxation							(2,372,720)	(2,385,403)
Profit after taxation							361,186,148	50,948,669

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$4.5 million (2017: HK$4.5 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	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
STATEMENT OF FINANCIAL POSITION								
Assets								
Segment assets	187,406,296	169,117,694	545,601,121	607,465,406	4,890,000	15,136,046	737,897,417	791,719,146
Tax recoverable	- -	- -	2,776	26,403	323	- -	3,099	26,403
	187,406,296	169,117,694	545,603,897	607,491,809	4,890,323	15,136,046	737,900,516	791,745,549
Unallocated corporate assets							459,600,821	51,253,432
Consolidated total assets							1,197,501,337	842,998,981
Liabilities								
Segment liabilities	1,090,590	720,047	25,645,683	28,997,559	188,408	81,500	26,924,681	29,799,106
Tax payable and deferred taxation	- -	- -	973,111	1,022,763	- -	14	973,111	1,022,777
	1,090,590	720,047	26,618,794	30,020,322	188,408	81,514	27,897,792	30,821,883
Unallocated corporate liabilities							1,114,952	1,065,311
Consolidated total liabilities							29,012,744	31,887,194
OTHER INFORMATION								
Capital expenditure	- -	- -	5,420	16,800	167,408	399,499	172,828	416,299
Purchase of available-for-sale financial assets	6,075,403	1,596,109	- -	- -	- -	- -	6,075,403	1,596,109
Loss on disposal of property, plant and equipment	- -	- -	520	7,854	- -	- -	520	7,854
Depreciation	1,222	1,258	79,195	79,729	- -	- -	80,417	80,987
Fair value gain on trading securities	10,619,074	9,153,467	- -	- -	- -	- -	10,619,074	9,153,467
Fair value gain on available-for-sale financial assets	10,242,413	15,758,838	- -	- -	- -	- -	10,242,413	15,758,838

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

	2018 HK$	2017 HK$
Gross rental income from investment properties	18,940,203	19,089,059
Dividend income from share investments listed in Hong Kong		
- trading securities	2,718,841	2,630,392
- available-for-sale financial assets	4,052,072	4,324,507
	6,770,913	6,954,899
Net result of trading in securities	1,514,643	238,828
	27,225,759	26,282,786

5. OTHER REVENUE AND OTHER NET INCOME

	2018 HK$	2017 HK$
Other revenue		
Bank interest income	915,055	91,676
Sundry income	158,174	128,000
	1,073,229	219,676
Other net income		
Gain on disposal of available-for-sale financial assets	6,304,733	6,355,753
Gain on disposal of investment properties	181,961,940	- -
Gain on disposal of subsidiary	95,702,400	- -
Fair value gain on trading securities	10,619,074	9,153,467
Fair value gain on properties held for or under development	2,722,592	2,290,501
	297,310,739	17,799,721

6. TAXATION

	2018 HK$	2017 HK$
Current income tax		
Provision for Hong Kong Profits Tax for current year	2,565,200	2,419,000
Over-provision for prior years	(107,910)	(101,518)
	2,457,290	2,317,482
Deferred tax		
Origination and reversal of temporary differences	(84,570)	67,921
Total income tax	2,372,720	2,385,403

Provision for Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) on the estimated assessable profit for the year.

Reconciliation between income tax and accounting profit at applicable tax rate

	2018 HK$	2017 HK$
Profit before taxation	363,558,868	53,334,072
Notional tax on profit before taxation, calculated at Hong Kong Profits Tax rate of 16.5% (2017: 16.5%)	59,987,210	8,800,120
Tax effect of non-deductible expenses	82,361	163,204
Tax effect of non-taxable revenue	(55,914,809)	(5,347,187)
Tax effect of unused tax losses and unrecognised deductible temporary differences utilised	(1,670,354)	(1,127,200)
Others	(111,688)	(103,534)
Income tax	2,372,720	2,385,403

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit after tax of HK$361,186,148 (2017: HK$50,948,669) and on 40,000,000 (2017: 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 (2017: Nil).

8. INVESTMENT PROPERTIES

	2018 HK$	2017 HK$
Fair value		
At the beginning of the year	602,800,000	586,500,000
Disposals	(133,200,000)	- -
Increase in fair value	44,500,000	16,300,000
At the end of the year	514,100,000	602,800,000

All investment properties of the group are situated in Hong Kong and held under following lease terms:

	2018 HK$	2017 HK$
Short term leases	35,300,000	- -
Medium term leases	193,400,000	337,900,000
Long leases	285,400,000	264,900,000
	514,100,000	602,800,000

The group's investment properties were revalued on 31 March 2018 by RHL Appraisal Limited, an independent firm of professional surveyors, on an open market value basis.

At 31 March 2018, the group's investment properties with aggregate carrying value of HK$212,700,000 (2017: HK$199,500,000) were pledged to a bank to secure general bank facilities of the group.

9. PROPERTIES HELD FOR OR UNDER DEVELOPMENT

	2018 HK$	2017 HK$
Fair value		
At the beginning of the year	15,100,000	12,410,000
Additions	167,408	399,499
Disposals [through the disposal of subsidiary (note 16)]	(13,100,000)	- -
Increase in fair value	2,722,592	2,290,501
At the end of the year	4,890,000	15,100,000

The properties held for or under development are situated in Hong Kong and held under medium term leases. The properties were revalued at 31 March 2018 by RHL Appraisal Limited, an independent firm of professional surveyors, on an open market value basis.

On 27 September 2017, the Company completed the disposal of the entire issued capital of Winful Far East Limited ("Winful"), a wholly-owned subsidiary of the company, at a consideration of HK$108,802,400 (inclusive of shareholder's loan of HK$20,068,593). Winful mainly holds the land located at Lot Nos. 42RP and 122RP in DD 121 Yuen Long, New Territories.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018 HK$	2017 HK$
Listed shares in Hong Kong, at fair value		
At the beginning of the year	107,551,460	98,752,928
Additions	6,075,403	1,596,109
Disposals	(8,271,458)	(8,556,415)
Increase in fair value	10,242,413	15,758,838
At the end of the year	115,597,818	107,551,460

11. TRADE AND OTHER RECEIVABLES

	2018 HK$	2017 HK$
Rental receivables		
- Within 30 days	130,274	285,800
- Within 31 days to 60 days	117,086	134,100
- Within 61 days to 90 days	111,600	124,100
	358,960	544,000
Other receivables	1,938,676	1,366,545
Rental and other receivables, unimpaired *(note (a))*	2,297,636	1,910,545
Deposits and prepayments	243,980	330,106
	2,541,616	2,240,651

Note (a) Normally, monthly rentals are payable in advance by tenants in accordance with the leases. The rental receivables and other receivables (mainly including dividend receivable from listed shares, sales receivable from disposal of listed shares and bank interest receivable) 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.

12. TRADE AND OTHER PAYABLES

	2018 HK$	2017 HK$
Rental deposits received	2,772,168	3,263,476
Receipts in advance	176,931	202,061
Unclaimed dividends	353,517	311,193
Accrued expenses *(note (a))*	2,164,217	2,585,287
	5,466,833	6,362,017

Note (a) As at 31 March 2017, accrual expenses included an ex gratia payment of HK$1,432,881 for the late Mr. Ng See Wah.

13. BANK BORROWINGS, SECURED

The bank loans, which are subject to repayment on demand clause, are repayable as follows:

	2018 HK$	2017 HK$
Current liabilities		
Within one year	1,929,600	1,929,600
After one year but not exceeding two years	10,270,200	1,929,600
After two years but not exceeding five years	10,255,000	20,525,200
	22,454,800	24,384,400

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$612,580 (2017: HK$594,015).

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 would be collected by the bank. The group regularly monitors its compliance with these covenants. As at 31 March 2018, none of the covenants was breached.

The company has executed a corporate guarantee amounting to HK$82,900,000 (2017: 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.

14. SHARE CAPITAL

	2018		2017	
	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

15. DIVIDENDS

	2018 HK$	2017 HK$
Dividends attributable to the year -		
Interim dividend at HK$0.02 (2017: HK$0.02) per share paid during the year	800,000	800,000
Interim special dividend at HK$0.10 (2017: Nil) per share paid during the year	4,000,000	- -
Final dividend at HK$0.12 (2017: HK$0.12) per share proposed after the reporting period *(note (b))*	4,800,000	4,800,000
Final special dividend at HK$0.20 (2017: Nil) per share proposed after the reporting period *(note (b))*	8,000,000	- -
	17,600,000	5,600,000
Unclaimed dividend forfeited *(note (a))*	(43,790)	(45,813)
	17,556,210	5,554,187

Note (a) *Pursuant to Article 145 of the Articles of Association of the company, on 16 March 2018 the board of directors resolved that the dividends for the financial years 2010/11 to 2011/12 amounting to HK$43,790 payable on or before 5 January 2012 remained unclaimed on 16 March 2018 be forfeited and recognised in the equity.*

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

16. DISPOSAL OF SUBSIDIARY

The Company disposed of a subsidiary during the year. The disposal which was completed on 27 September 2017 had the following effect on the Group's assets and liabilities:

	2018 HK$	2017 HK$
Property held for or under development (note 9)	13,100,000	- -
Net assets	13,100,000	- -
Net gain on disposal	95,702,400	- -
Total consideration	108,802,400	- -
Cash consideration received and net cash inflow in respect of the disposal	108,802,400	- -

17. EVENTS AFTER THE REPORTING PERIOD

(a) Subsequent to the reporting period, the Group disposed of various trading securities at a total consideration of approximate of HK$8,700,000 and generated a gain of approximate of HK$700,000. The Group also purchased certain listed securities at total cost of approximate of HK$18,500,000 for trading purpose.

(b) Following a decline in Hong Kong Hang Seng Index, the market value of the Group's share investment portfolio (for long-term investment and trading purpose) as at 28 June 2018 dropped by approximately of HK$8.8 million, as compared to 31 March 2018.

DIVIDENDS

In January 2018, the Company paid an interim dividend of HK$0.02 (2017: HK$0.02) per share and an interim special dividend of HK$0.10 (2017: Nil) per share, totaling HK$4,800,000 (2017: HK$800,000).

The board will propose in the Annual General Meeting to be held on 7 September 2018 the payment of a final dividend of HK$0.12 (2017: HK$0.12) per share and a final special dividend of HK$0.20 (2017: Nil) per share in respect of the year ended 31 March 2018, absorbing a total amount of HK$12,800,000 (2017: HK$4,800,000). It is proposed that the dividend cheque will be dispatched on or about 28 September 2018 to the shareholders whose names are on the Register of Members on 14 September 2018.

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, 5 September 2018 to Friday, 7 September 2018, 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, 4 September 2018.

The register of members of the Company will also be closed from Thursday, 13 September 2018 to Friday**,** 14 September 2018, 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 and final special dividend for the year ended 31 March 2018. To qualify for the receipt of the proposed dividends, 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, 12 September 2018.

CORPORATE GOVERNANCE PRACTICE

Save for the exceptions set out 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 2018 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 re-election by shareholders at the first general meeting after their appointment. They will hold office until the next annual general meeting at which they are eligible for re-election; and

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

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

During the year, the Group recorded a historic profit of HK$361,186,148, representing an increase by HK$310,237,479 (or 6 times) as compared to last year. The increase was mainly due to a one-off gain of HK$95,702,400 arising from disposal of a subsidiary of the Group (2017: Nil) and a capital gain of HK$181,961,940 arising from disposal of investment properties (2017: Nil). Excluding these extraordinary gains and fair value gain of investment properties of HK$44,500,000 (2017: HK$16,300,000), the Group's profit amounted to HK$39,021,808, representing an increase by HK$4,373,139 (or 12.6%) as compared to last year.

Property investment

The rental income of the Group's property leasing business decreased by HK$148,856 (or 0.8%), to HK$18,940,203, as compared to last year.

With the shareholders' approval in the extraordinary general meeting held on 30 January 2018 in relation to the disposal of certain of the Group's properties, comprising of all those shops on ground floor of Nos. 4, 6, 6A, 8 and 10 Nam Kok Road and first floor on No. 4 Nam Kok Road, Kowloon (the "NKR Properties"), held by YLH Limited, a wholly-owned subsidiary of the Company, at a selling price of HK$320,000,000. The disposal was completed on 9 February 2018 and generated a gain of HK$181,961,940 to the Group.

In addition, as the property market in Hong Kong rebounced, the Group recorded a fair value gain of HK$44,500,000 (2017: HK$16,300,000) during the year. The result of property leasing business, therefore, increased by HK$210,734,094 (or 6.7 times), to HK$242,278,268, as compared to last year. Subsequent to the disposal of NKR Properties, the Group's investment properties portfolio as at 31 March 2018 amounted to HK$514,100,000 (2017: HK$602,800,000).

On 12 February 2018, Hing Full Far East Development Limited, a wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement for the acquisition of the property at No. 66 Ma Tau Chung Road, Kowloon (the "66 MTC Properties") at a consideration of HK$67,600,000. The deposit of HK$6,760,000 and stamp duty of HK$20,280,000 (representing 30% of the consideration) were paid during the reporting period. The acquisition was completed on 27 June 2018.

Property development

For the year ended 31 March 2018, the Group recorded a fair value gain of HK$2,722,592 (2017: HK$2,290,501) on property held for or under development.

On 27 September 2017, the Company completed the disposal of the 100% equity interest in Winful Far East Limited, a wholly-owned subsidiary of the Company, which solely held the land located at Lot Nos. 42RP and 122RP in demarcation district 121 Yuen Long, Ping Shan, New Territories, at a consideration of HK$108,802,400 (including the shareholders' loan of HK$20,068,593). The transaction generated a one-off gain of HK$95,702,400 during the year.

In March 2018, the Group applied for a proposed change from agricultural land use to commercial use with respect to Lot No. 2784 RP in demarcation district 130 Tuen Mun, Lam Tei, New Territories, and to date, the application process is still at an early stage.

Share investments and dividend income

Dividend income slightly decreased by HK$183,986 (or 2.6%) to HK$6,770,913 as compared to last year.

During the year, the Group recorded a realised gain on disposal of trading securities of HK$1,514,643 (2017: HK$238,828) and a realised gain on disposal of available-for-sale financial assets of HK$6,304,733 (2017: HK$6,355,753). The gain on disposal of available-for-sale financial assets was attributable mainly to the sale of various securities, including New World Development Company Limited (stock code: 17), BOC Hong Kong (Holdings) Limited (stock code: 2388) and Sunevision Holdings Limited (stock code: 8008), at a total consideration of approximately of HK$6,386,000.

To strengthen and diversify its shares investment portfolio, the Group purchased certain listed securities at a total cost of approximate of HK$6,000,000 for long-term investment. The major purchases during the year included China Railway Group Limited (Stock code: 390) and BBMG Corporation (stock code: 2009). The Group also purchased certain listed securities at a total cost of approximately HK$5,500,000 for trading purpose. The major purchase was Huaneng Power International Inc. (stock code: 902).

During the year, the Group recorded an unrealised gain on trading securities of HK$10,619,074 (2017: HK$9,153,467) in the profit or loss. Also, the Group recorded an unrealised gain on available-for-sale financial assets of HK$10,242,413 (2017: HK$15,758,838) in other comprehensive income. As at 31 March 2018, the Group's listed share investment portfolios had an aggregate fair value of HK$184,823,030 (2017: HK$166,802,351).

Subsequent to the reporting period, the Group has continued to strengthen and diversify the shares investment portfolio. Excluding fair value loss of approximate of HK$8.8 million recorded during from 1 April 2018 to 28 June 2018, the Group recorded a net increase in trading securities by approximate of HK$10.6 million and increase in available-for-sale financial assets by approximate of HK$3 million. The purchases were mainly constituents of Hong Kong Hang Seng Index.

Share investments and dividend income (Cont'd)

Details of the Group's share investment portfolios as at 31 March 2018 for long-term investment and trading purposes are set out in Table 1 and Table 2 below, respectively:

Table 1: Details of the Group's Share Investment Portfolio for Long-Term Investment Purpose

	Stock code	Stock name	Principal business	Investment costs (HK$'000)	Fair value at 31.3.2018 (HK'000)	Proportional to total assets of the Group	Fair value gain/(loss) during the year (HK$'000)	Gain on disposal (HK$'000)	Dividend income (HK$'000)
1.	5	HSBC Holdings Plc	Financials	23,936	25,113	2.1%	3,576	- -	1,336
2.	2	CLP Holdings Limited	Utilities	10,422	23,970	2.0%	(405)	- -	873
3.	17	New World Development Co. Ltd.	Properties & Construction	13,358	16,675	1.4%	2,243	3,317	692
4.	388	Hong Kong Exchanges and Clearing Limited	Financials	10,981	13,680	1.1%	3,193	- -	242
5.	1	CK Hutchison Holdings Limited	Conglomerates	9,479	9,408	0.8%	(170)	- -	273
6.	1113	CK Assets Holdings Limited	Properties & Construction	- -	6,597	0.6%	1,358	- -	157
7.	1398	ICBC – H Shares	Financials	5,539	6,402	0.5%	1,569	- -	229
		Others (note (1))		14,441	13,753	1.2%	(1,122)	2,988	250
		Total		88,156	115,598	9.7%	10,242	6,305	4,052

Note (1): Other securities included six stocks listed in Hong Kong, four of which were current constituents of Hang Seng Index and their principal businesses mainly included conglomerates and financials. The market value for each individual stock was less than 5% of the market value of the group's share investment portfolio for long term purpose.

Note (2): The Group held less than 1% interest of issued share capital for each underlying company.

Table 2: Details of the Group's Share Investment Portfolio for Trading Purpose

	Stock code	Stock name	Principal business	Investment costs (HK$'000)	Fair value at 31.3.2018 (HK'000)	Proportional to total assets of the Group	Fair value gain during the year (HK$'000)	Gain on disposal (HK$'000)	Dividend income (HK$'000)
1.	5	HSBC Holdings Plc	Financials	27,427	24,494	2.0%	3,488	- -	1,303
2.	388	Hong Kong Exchanges and Clearing Limited	Financials	5,669	14,321	1.2%	3,343	- -	253
3.	1398	ICBC – H Shares	Financials	8,388	8,749	0.7%	2,145	- -	313
4.	3988	Bank of China Limited – H Shares	Financials	6,556	7,461	0.6%	636	- -	306
5.	12	Henderson Land Development Company Limited	Properties & Construction	3,085	4,764	0.4%	687	477	216
		Others (note (1))		12,294	9,436	0.9%	320	1,038	328
		Total		63,419	69,225	5.8%	10,619	1,515	2,719

Note (1): Other securities included five stocks listed in Hong Kong, three of which were current constituents of Hang Seng Index and their principal businesses mainly included properties and construction, financials and energy. The market value for each individual stock was less than 5% of the market value of the group's trading securities portfolio.

Note (2): The Group held less than 1% interest of issued share capital for each underlying company.

Liquidity and financial resources

As at 31 March 2018, the Group's total bank borrowings were HK$22,454,800 which is wholly repayable within five years (2017: HK$24,384,400). All of the Group's bank borrowings are at floating interest rates. The Group's gearing ratio, which was taken as bank borrowings to total shareholders' equity, decreased from 3.0% to 1.9%. The Group also had banking credit facilities of HK$50,000,000 which has not been utilized. The Group's banking facilities are subject to review annually and will be due for negotiation in April 2019. 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 2018, the Group held an amount of HK$462,390,765 in cash (2017: HK$54,241,232). 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 utilize additional credit facilities for the Group's proposed acquisitions, 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 2018, the Group's investment properties with an aggregate carrying value of HK$212,700,000 (2017: HK$199,500,000) were pledged to a bank to secure general banking facilities granted to the Group.

PROSPECTS

The current property market in Hong Kong remains rational and stable. The Group expects the market rent to increase very moderately. Subsequent to the disposal of NKR Property in February 2018, the management expects the annual rental income to drop by 10% in the next financial year. Nevertheless, the disposal will realize substantial capital gain for the Group and accumulate ample cash reserves for sizable property investments by the Group in future.

Completion of the acquisition of 66 MTC Properties in June 2018 has enhanced the completeness of the Ma Tau Chung Road Re-development Project. At present, the Group owns total site area of about 3,676 square feet with 4 blocks of four storeys Chinese tenement. The Board plans to demolish and re-construct the building around mid-September 2019. The annual rental income of approximately HK$2 million, representing 10% of annual rental income, would be inevitablely reduced during the re-development period. The Board also expects stamp duty of HK$17,407,000 to be claimed back in future under the exemption of buyer's stamp duty ("BSD") and ad valorem stamp duty ("AVD"). In the next financial year, the Group expects that the fair value of the building may incur a fair value loss at least equivalent to stamp duty of HK$20,280,000 upon the completion and an additional rental income of HK$312,000 is contributed. In the long run, better income can be generated after re-development.

The continuous tightened measures to cool down the residential market are still in force. Facing with the persistent low interest rate and strong cash flow in the market, the management believes the market appetite remains strong and developers are full of confidence in the property market in the near future. 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.

PROSPECTS (Cont'd)

The global economy faces many uncertainties. US may further increase the interest rate in year 2018. Brexit process and trade war between US and China also create volatility in the securities market. The Group expects the security market to remain volatile. The Group will keep a close watch of market changes and make appropriate strategic adjustments to the Group's assets portfolio in order to maximize the returns to shareholders of the Company. Regarding to long-term securities investment, as the securities market has been mainly led by the financials, property and utilities industries, the Group's investing strategy will continue to focus on those business sectors which bring long-term potential growth.

By Order of the Board

Ng Tai Wai
Chairman

Hong Kong, 29 June 2018

As at the date of this announcement, the executive directors of the Company are Mr. Ng Tai Wai and Mr. Ng Tai Yin Victor, the non-executive directors are Mr. So Kwok Leung, Mr. So Kwok Wai, Benjamin and Ms. Ng Kwok Fun; the independent non-executive directors are Dr. Ng Chi Yeung, Simon, Ms. Chan Suit Fei, Esther and Mr. Heng Pei Neng, Roy.