

*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 2021**

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 2021 together with comparative figures for the year ended 31 March 2020. The annual results of the Group have been reviewed by the Company’s audit committee.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

|  | Notes | 2021<br>HK\$       | 2020<br>HK\$         |
|--|-------|--------------------|----------------------|
| Revenue  | 4     | 20,847,668         | 21,894,215           |
| Other revenue and losses, net  | 5     | 11,775,975         | (16,975,921)         |
| Fair value loss on investment properties   |       | (28,100,000)       | (85,101,147)         |
| Administrative and general expenses  |       | (6,442,745)        | (6,958,834)          |
| Finance costs  |       | <u>(428,236)</u>   | <u>(712,953)</u>     |
| <b>Loss before income tax</b>  | 6     | (2,347,338)        | (87,854,640)         |
| Income tax expense   | 7     | <u>(1,323,730)</u> | <u>(1,455,789)</u>   |
| <b>Loss for the year attributable to the owners of the Company</b>                           |       | <u>(3,671,068)</u> | <u>(89,310,429)</u>  |
| <b>Other comprehensive income:</b>   |       |                    |                      |
| <i>Item that will not be reclassified subsequently to profit or loss:</i>                    |       |                    |                      |
| Changes in fair value of equity instruments at fair value through other comprehensive income |       | <u>15,001,815</u>  | <u>(33,662,532)</u>  |
| <b>Other comprehensive income for the year</b>   |       | <u>15,001,815</u>  | <u>(33,662,532)</u>  |
| <b>Total comprehensive income for the year attributable to the owners of the Company</b>     |       | <u>11,330,747</u>  | <u>(122,972,961)</u> |
| <b>Loss per share (Basic and diluted)</b>  | 8     | <u>(0.09)</u>      | <u>(2.23)</u>        |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

|   | Notes | 2021<br>HK\$         | 2020<br>HK\$         |
|---|-------|----------------------|----------------------|
| <b>ASSETS AND LIABILITIES</b>                                       |       |                      |                      |
| <b>Non-current assets</b>   |       |                      |                      |
| Property, plant and equipment                                       |       | 1,481,321            | 1,555,384            |
| Investment properties   | 9     | 918,500,000          | 940,000,000          |
| Properties held for or under development                            |       | 5,110,000            | 5,080,000            |
| Equity instruments at fair value through other comprehensive income | 10    | <u>95,261,855</u>    | <u>81,137,972</u>    |
|   |       | <u>1,020,353,176</u> | <u>1,027,773,356</u> |
| <b>Current assets</b>   |       |                      |                      |
| Equity instruments at fair value through profit or loss             |       | 88,429,879           | 56,224,483           |
| Trade and other receivables   | 11    | 1,170,913            | 106,605,385          |
| Tax recoverable   |       | 67,723               | 25,814               |
| Cash and bank balances  |       | <u>108,290,663</u>   | <u>27,979,110</u>    |
|   |       | <u>197,959,178</u>   | <u>190,834,792</u>   |
| <b>Current liabilities</b>  |       |                      |                      |
| Other payables  |       | 7,635,412            | 5,745,998            |
| Bank borrowings - secured   | 12    | 18,726,903           | 19,537,491           |
| Tax payable   |       | <u>350,299</u>       | <u>335,465</u>       |
|   |       | <u>26,712,614</u>    | <u>25,618,954</u>    |
| <b>Net current assets</b>   |       | <u>171,246,564</u>   | <u>165,215,838</u>   |
| <b>Total assets less current liabilities</b>                        |       | 1,191,599,740        | 1,192,989,194        |
| <b>Non-current liabilities</b>                                      |       |                      |                      |
| Provision for long service payments                                 |       | 118,000              | 118,000              |
| Deferred tax liabilities  |       | <u>931,248</u>       | <u>895,919</u>       |
|   |       | <u>1,049,248</u>     | <u>1,013,919</u>     |
| <b>NET ASSETS</b>   |       | <u>1,190,550,492</u> | <u>1,191,975,275</u> |
| <b>EQUITY</b>   |       |                      |                      |
| Capital and reserves  |       |                      |                      |
| Share capital   | 13    | 40,000,000           | 40,000,000           |
| Reserves  |       | <u>1,150,550,492</u> | <u>1,151,975,275</u> |
| <b>TOTAL EQUITY</b>   |       | <u>1,190,550,492</u> | <u>1,191,975,275</u> |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

|  | Share<br>capital<br>HK\$ | Capital<br>reserve*<br>HK\$ | Fair value<br>reserve*<br>HK\$ | Retained<br>profits*<br>HK\$ | Total<br>HK\$        |
|--|--------------------------|-----------------------------|--------------------------------|------------------------------|----------------------|
| <b>At 1 April 2019</b>   | 40,000,000               | 251,046                     | 44,925,182                     | 1,235,303,483                | 1,320,479,711        |
| Loss for the year  | -                        | -                           | -                              | (89,310,429)                 | (89,310,429)         |
| Other comprehensive income:  |                          |                             |                                |                              |                      |
| Changes in fair value of equity instruments at fair value through other comprehensive income<br>("FVTOCI") | -                        | -                           | (33,662,532)                   | -                            | (33,662,532)         |
| Total other comprehensive income   | -                        | -                           | (33,662,532)                   | -                            | (33,662,532)         |
| Total comprehensive income   | -                        | -                           | (33,662,532)                   | (89,310,429)                 | (122,972,961)        |
| Fair value reserve transferred to retained profits upon disposal of equity instruments at FVTOCI           | -                        | -                           | (8,336,466)                    | 8,336,466                    | -                    |
| Dividends approved in respect of the previous year (Note 14)   | -                        | -                           | -                              | (4,731,475)                  | (4,731,475)          |
| Dividends declared in respect of the current year (Note 14)  | -                        | -                           | -                              | (800,000)                    | (800,000)            |
| <b>At 31 March 2020 and 1 April 2020</b>   | 40,000,000               | 251,046                     | 2,926,184                      | 1,148,798,045                | 1,191,975,275        |
| Loss for the year  | -                        | -                           | -                              | (3,671,068)                  | (3,671,068)          |
| Other comprehensive income:  |                          |                             |                                |                              |                      |
| Changes in fair value of equity instruments at FVTOCI  | -                        | -                           | 15,001,815                     | -                            | 15,001,815           |
| Total other comprehensive income   | -                        | -                           | 15,001,815                     | -                            | 15,001,815           |
| Total comprehensive income   | -                        | -                           | 15,001,815                     | (3,671,068)                  | 11,330,747           |
| Fair value reserve transferred to retained profits upon disposal of equity instruments at FVTOCI           | -                        | -                           | 4,062,468                      | (4,062,468)                  | -                    |
| Dividends approved in respect of the previous year (Note 14)   | -                        | -                           | -                              | (10,755,530)                 | (10,755,530)         |
| Dividends declared in respect of the current year (Note 14)  | -                        | -                           | -                              | (2,000,000)                  | (2,000,000)          |
| <b>At 31 March 2021</b>  | <b>40,000,000</b>        | <b>251,046</b>              | <b>21,990,467</b>              | <b>1,128,308,979</b>         | <b>1,190,550,492</b> |

\* These reserve accounts comprise the consolidated reserves of approximately HK\$1,150,550,492 in the consolidated statement of financial position as at 31 March 2021 (2020: HK\$1,151,975,275).

## Notes

### 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements have been prepared under the historical cost basis except for certain properties and financial instruments which are measured at fair values.

The financial information relating to the years ended 31 March 2021 and 2020 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 (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

The Company delivered the financial statements for the year ended 31 March 2020 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 2021 to the Registrar of Companies of Hong Kong within the prescribed time limit.

The Company’s auditors have reported on those consolidated financial statements of the Company for both years ended 31 March 2021 and 2020. The auditor’s reports were unqualified; did not include reference to any matters to which the auditors 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 HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### 2.1 Adoption of new or revised HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (“the new HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2020:

|  |  |
|--|--|
| Amendments to HKAS 1 and HKAS 8              | Definition of Material                               |
| Amendments to HKFRS 3                        | Definition of a Business                             |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7   | Interest Rate Benchmark Reform                       |
| Conceptual Framework for Financial Reporting | Revised Conceptual Framework for Financial Reporting |

The adoption of the above new or amended HKFRSs that are effective from 1 April 2020 did not have any significant impact on the Group’s accounting policies.

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) - Continued

### 2.2 New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

|   |  |
|---|--|
| HKFRS 17  | Insurance Contracts <sup>6</sup>   |
| Amendments to HKFRS 3   | Reference to the Conceptual Framework <sup>5</sup>   |
| Amendments to HKFRS 16  | COVID-19-Related Rent Concessions <sup>1</sup>   |
| Amendments to HKFRS 16  | COVID-19-Related Rent Concessions Beyond 30 June 2021 <sup>3</sup>   |
| Amendments to HKFRS 1, HKFRS 9 and HKFRS 16                   | Annual Improvements to HKFRSs 2018-2020 Cycle <sup>4</sup>   |
| Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 | Interest Rate Benchmark Reform - Phase 2 <sup>2</sup>  |
| Amendments to HKFRS 10 and HKAS 28                            | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>7</sup>   |
| Amendments to HKAS 1  | Classification of Liabilities as Current or Non-current <sup>6</sup>   |
| Amendments to HKAS 1  | Disclosure of Accounting Policies <sup>6</sup>   |
| Amendments to HKAS 8  | Definition of Accounting Estimates <sup>6</sup>  |
| Amendments to HKAS 12   | Deferred Tax Related to Assets and Liabilities arising from a Single Transaction <sup>6</sup>  |
| Amendments to HKAS 16   | Property, Plant and Equipment - Proceeds before Intended Use <sup>4</sup>  |
| Amendments to HKAS 37   | Onerous Contracts - Cost of Fulfilling a Contract <sup>4</sup>   |
| HK Interpretation 5 (2020)                                    | Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>6</sup> |
| Accounting Guideline 5 (revised)                              | Merger accounting for Common Control Combinations <sup>4</sup>   |

1 Effective for annual periods beginning on or after 1 June 2020

2 Effective for annual periods beginning on or after 1 January 2021

3 Effective for annual periods beginning on or after 1 April 2021

4 Effective for annual periods beginning on or after 1 January 2022

5 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022

6 Effective for annual periods beginning on or after 1 January 2023

7 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of these new standards, amendments and improvement to HKFRSs and interpretations will have no material impact on the Group’s accounting policies, results and financial position.

### 3. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports reviewed by the Group's chief operating decision maker (i.e. the executive directors) that are used to assess segment performance and make strategic decision.

The reportable segments of the Group are as follows:

|                        |  |
|------------------------|--|
| Securities investments | - securities investment for short-term and long-term |
| Property leasing       | - letting investment properties                      |
| Property development   | - properties held for or under development           |

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

|  | Securities investments |                     | Property leasing  |                     | Property development |                | Total              |                     |
|--|------------------------|---------------------|-------------------|---------------------|----------------------|----------------|--------------------|---------------------|
|  | 2021<br>HK\$           | 2020<br>HK\$        | 2021<br>HK\$      | 2020<br>HK\$        | 2021<br>HK\$         | 2020<br>HK\$   | 2021<br>HK\$       | 2020<br>HK\$        |
| Segment revenue  |                        |                     |                   |                     |                      |                |                    |                     |
| - external customer  | <u>7,508,371</u>       | <u>6,836,691</u>    | <u>13,339,297</u> | <u>15,057,524</u>   | -                    | -              | <u>20,847,668</u>  | <u>21,894,215</u>   |
| Segment results before net gains or losses   | 6,283,958              | 5,522,890           | 27,332,462        | 11,034,413          | 40,167               | 72,995         | 33,656,587         | 16,630,298          |
| Fair value loss on equity instruments at fair value through profit or loss ("FVTPL") | (6,091,990)            | (19,901,731)        | -                 | -                   | -                    | -              | (6,091,990)        | (19,901,731)        |
| Fair value loss on investment properties   | -                      | -                   | (28,100,000)      | (85,101,147)        | -                    | -              | (28,100,000)       | (85,101,147)        |
| Fair value gain on properties held for or under development                          | -                      | -                   | -                 | -                   | 30,000               | 120,000        | 30,000             | 120,000             |
| Segment results  | <u>191,968</u>         | <u>(14,378,841)</u> | <u>(767,538)</u>  | <u>(74,066,734)</u> | <u>70,167</u>        | <u>192,995</u> | <u>(505,403)</u>   | <u>(88,252,580)</u> |
| Bank interest income   |                        |                     |                   |                     |                      |                | 165                | 2,683,730           |
| Finance costs  |                        |                     |                   |                     |                      |                | (428,236)          | (712,953)           |
| Unallocated corporate expenses   |                        |                     |                   |                     |                      |                | <u>(1,413,864)</u> | <u>(1,572,837)</u>  |
| Loss before income tax   |                        |                     |                   |                     |                      |                | <u>(2,347,338)</u> | <u>(87,854,640)</u> |

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

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. Bank interest income, finance costs and certain corporate expenses are not allocated to the operating segments as they are not included in the measure of the segments results that is used by the chief operating decision-maker for assessment of segment performance.

Revenue attributed from customers that contributing for 10% or more of the Group's total revenue during the year, are as follows:

|            | 2021<br>HK\$     | 2020<br>HK\$     |
|------------|------------------|------------------|
| Customer A | 4,923,600        | 4,923,600        |
| Customer B | <u>2,579,238</u> | <u>2,442,000</u> |

For the years ended 31 March 2021 and 2020, both customers A and B are from property leasing segment.

### 3. SEGMENT INFORMATION - Continued

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

|  | Securities investments |                    | Property leasing   |                      | Property development |                  | Total                |                      |
|--|------------------------|--------------------|--------------------|----------------------|----------------------|------------------|----------------------|----------------------|
|  | 2021<br>HK\$           | 2020<br>HK\$       | 2021<br>HK\$       | 2020<br>HK\$         | 2021<br>HK\$         | 2020<br>HK\$     | 2021<br>HK\$         | 2020<br>HK\$         |
| <b>Assets</b>                            |                        |                    |                    |                      |                      |                  |                      |                      |
| Segment assets                           | 262,927,043            | 144,175,839        | 933,077,048        | 1,052,237,354        | 5,110,000            | 5,080,000        | 1,201,114,091        | 1,201,493,193        |
| Tax recoverable                          | -                      | -                  | 66,839             | 24,489               | 884                  | 1,325            | 67,723               | 25,814               |
|  | <u>262,927,043</u>     | <u>144,175,839</u> | <u>933,143,887</u> | <u>1,052,261,843</u> | <u>5,110,884</u>     | <u>5,081,325</u> | 1,201,181,814        | 1,201,519,007        |
| Unallocated corporate assets             |                        |                    |                    |                      |                      |                  | 17,130,540           | 17,089,141           |
| <b>Total assets</b>                      |                        |                    |                    |                      |                      |                  | <u>1,218,312,354</u> | <u>1,218,608,148</u> |
| <b>Liabilities</b>                       |                        |                    |                    |                      |                      |                  |                      |                      |
| Segment liabilities                      | 245,840                | 236,800            | 24,812,388         | 23,762,877           | 101,508              | 146,508          | 25,159,736           | 24,146,185           |
| Tax payable and deferred tax liabilities | -                      | -                  | 1,275,641          | 1,231,384            | 5,906                | -                | 1,281,547            | 1,231,384            |
|  | <u>245,840</u>         | <u>236,800</u>     | <u>26,088,029</u>  | <u>24,994,261</u>    | <u>107,414</u>       | <u>146,508</u>   | 26,441,283           | 25,377,569           |
| Unallocated corporate liabilities        |                        |                    |                    |                      |                      |                  | 1,320,579            | 1,255,304            |
| <b>Total liabilities</b>                 |                        |                    |                    |                      |                      |                  | <u>27,761,862</u>    | <u>26,632,873</u>    |

Segment assets principally comprise all tangible assets and current assets directly attributable to each segment with the exception of other unallocated head office and corporate assets (including fixed deposits and bank accounts) as these assets are managed on a group basis. Segment liabilities include all liabilities and borrowing directly attributable to and managed by each segment with the exception of other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Other segment information is as follows:

|   | Securities investments |              | Property leasing |              | Total        |              |
|---|------------------------|--------------|------------------|--------------|--------------|--------------|
|   | 2021<br>HK\$           | 2020<br>HK\$ | 2021<br>HK\$     | 2020<br>HK\$ | 2021<br>HK\$ | 2020<br>HK\$ |
| Capital expenditure   | -                      | -            | 6,606,660        | 414,301,147  | 6,606,660    | 414,301,147  |
| Purchase of equity instruments at FVTOCI  | 18,365,158             | 1,632,048    | -                | -            | 18,365,158   | 1,632,048    |
| Loss on disposal of property, plant and equipment   | -                      | -            | 2,571            | -            | 2,571        | -            |
| Depreciation  | 920                    | 979          | 77,232           | 77,582       | 78,152       | 78,561       |
| Provision for expected credit losses on trade and other receivables   | -                      | -            | 105,945          | 90,032       | 105,945      | 90,032       |
| Fair value gain/(loss) on equity instruments at FVTOCI  | 15,001,815             | (33,662,532) | -                | -            | 15,001,815   | (33,662,532) |
| (Loss)/gain on disposal of equity instruments at FVTOCI transferred from fair value reserve to retained profits | (4,062,468)            | 8,336,466    | -                | -            | (4,062,468)  | 8,336,466    |

#### 4. REVENUE

|  | 2021<br>HK\$      | 2020<br>HK\$      |
|--|-------------------|-------------------|
| Gross rental income from investment properties                   | 13,339,297        | 15,057,524        |
| Dividend income from listed investments                          |                   |                   |
| - Equity instruments at FVTPL                                    | 1,639,374         | 2,760,677         |
| - Equity instruments at FVTOCI                                   |                   |                   |
| - related to investments derecognised during the year            | -                 | 157,500           |
| - related to investments held at the end of the reporting period | 3,238,517         | 3,879,497         |
| Gain on disposal of equity instruments at FVTPL                  | <u>2,630,480</u>  | <u>39,017</u>     |
|  | <u>20,847,668</u> | <u>21,894,215</u> |

#### 5. OTHER REVENUE AND LOSSES, NET

|   | 2021<br>HK\$      | 2020<br>HK\$        |
|---|-------------------|---------------------|
| Bank interest income  | 165               | 2,683,730           |
| Fair value loss on equity instruments at FVTPL              | (6,091,990)       | (19,901,731)        |
| Fair value gain on properties held for or under development | 30,000            | 120,000             |
| Government subsidies (note (i))                             | 324,000           | -                   |
| Sundry income (note (ii))                                   | <u>17,513,800</u> | <u>122,080</u>      |
|   | <u>11,775,975</u> | <u>(16,975,921)</u> |

Notes:

(i) The Government subsidies represent subsidies under the Employment Support Scheme launched by the Hong Kong Special Administrative Region Government. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

(ii) Sundry income mainly represents a one-off refund of stamp duty.



## 6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

|   | 2021<br>HK\$ | 2020<br>HK\$ |
|---|--------------|--------------|
| Auditors' remuneration  |              |              |
| - audit services  | 360,000      | 360,000      |
| - non-audit services  | 100,000      | 246,674      |
| Depreciation  |              |              |
| - Owned property, plant and equipment                               | 7,779        | 8,188        |
| - Right-of-use assets including within leasehold land and building  | 70,373       | 70,373       |
| Direct operating expenses in respect of investment properties       |              |              |
| - that generated rental income                                      | 429,060      | 861,266      |
| - that did not generate rental income                               | 73,519       | 71,071       |
| Interest on bank borrowings   | 428,236      | 712,953      |
| Loss on disposal of property, plant and equipment                   | 2,571        | -            |
| Provision for expected credit losses on trade and other receivables | 105,945      | 90,032       |

## 7. INCOME TAX EXPENSE

|  | 2021<br>HK\$     | 2020<br>HK\$     |
|--|------------------|------------------|
| Current income tax - Hong Kong Profits tax | 1,367,000        | 1,518,500        |
| Over provision in prior years              | (78,599)         | (92,433)         |
|  | <u>1,288,401</u> | <u>1,426,067</u> |
| Deferred income tax                        | <u>35,329</u>    | <u>29,722</u>    |
| Income tax expense                         | <u>1,323,730</u> | <u>1,455,789</u> |

Hong Kong Profits tax is calculated at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% (2020: 8.25%) and the remaining assessable profits are taxed at 16.5% (2020: 16.5%).

## 8. LOSS PER SHARE

The basic loss per share for the year is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue held by the Group of 40,000,000 (2020: 40,000,000) during the year. There were no potential dilutive ordinary share outstanding for both years.

## 9. INVESTMENT PROPERTIES

|   | 2021<br>HK\$        | 2020<br>HK\$        |
|---|---------------------|---------------------|
| <b>Fair value</b>                                       |                     |                     |
| At the beginning of year (level 3 recurring fair value) | 940,000,000         | 610,800,000         |
| Additions   | 6,600,000           | 414,301,147         |
| Decrease in fair value recognised in profit or loss     | <u>(28,100,000)</u> | <u>(85,101,147)</u> |
| At the end of year (level 3 recurring fair value)       | <u>918,500,000</u>  | <u>940,000,000</u>  |

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

|                   | 2021<br>HK\$       | 2020<br>HK\$       |
|-------------------|--------------------|--------------------|
| Short-term lease  | 19,500,000         | 26,000,000         |
| Medium-term lease | 224,600,000        | 225,700,000        |
| Long-term lease   | <u>674,400,000</u> | <u>688,300,000</u> |
|                   | <u>918,500,000</u> | <u>940,000,000</u> |

The investment properties were revalued on 31 March 2021 and 31 March 2020 by RHL Appraisal Limited, an independent firm of professional surveyors, on an open market value basis.

Included in the investment properties, the carrying value of HK\$580,000,000 (2020: HK\$586,000,000) as at 31 March 2021 represents the investment properties under redevelopment in Hong Kong.

At 31 March 2021, the investment properties with aggregate carrying value of approximately HK\$67,500,000 (2020: HK\$78,200,000) have been pledged to a bank to secure general bank facilities of the Group.

## 10. EQUITY INSTRUMENTS AT FVTOCI

|   | 2021<br>HK\$      | 2020<br>HK\$        |
|---|-------------------|---------------------|
| <b>Listed shares in Hong Kong, at fair value and classified as non-current assets</b> |                   |                     |
| At the beginning of the year  | 81,137,972        | 128,449,291         |
| Additions   | 18,365,158        | 1,632,048           |
| Disposals   | (19,243,090)      | (15,280,835)        |
| Increase/(decrease) in fair value   | <u>15,001,815</u> | <u>(33,662,532)</u> |
| At the end of the year  | <u>95,261,855</u> | <u>81,137,972</u>   |

The listed equity securities were irrevocably designated at FVTOCI as the Group considers the investment to be long-term strategic capital investment in nature. The Group held less than 1% interest of issued share capital for each underlying investee company.

Top five holdings of the Group's equity instruments at FVTOCI are as follows:

| Stock Code | Stock name   | Principal business        | 2021<br>HK\$'000 | 2020<br>HK\$'000 |
|------------|--|---------------------------|------------------|------------------|
| 388        | Hong Kong Exchanges and Clearing Limited                   | Financials                | 25,855           | 13,036           |
| 2          | CLP Holdings Limited                                       | Utilities                 | 15,100           | 7,150            |
| 17         | New World Development Co Limited                           | Properties & Construction | 11,706           | 11,883           |
| 1113       | CK Asset Holdings Limited                                  | Properties & Construction | 8,741            | N/A              |
| 1398       | Industrial and Commercial Bank of China Limited - H Shares | Financials                | 6,703            | 6,378            |
| 5          | HSBC Holdings Plc  | Financials                | <u>-</u>         | <u>16,855</u>    |

N/A - It is not applicable to disclose as they were not the top five holdings of the Group's equity instruments at FVTOCI in the respective financial years.

Changes in fair value of the above equity securities are recognised in other comprehensive income and accumulated within the fair value reserve within equity. The Group transfers amounts from fair value reserve to retained profits when the relevant equity securities are derecognised. During the year, the Group disposed certain equity securities as these investments no longer coincided with the Group's investment strategy. The fair value on the date of disposal was HK\$19,243,090 (2020: HK\$15,280,835), resulting in a transfer of accumulated loss on the equity instruments at FVTOCI of approximately HK\$4,062,468 (2020: accumulated gain on the equity instruments at FVTOCI of approximately HK\$8,336,466) within equity.

The fair values of listed securities are determined on the basis of their quoted market prices at the end of reporting period.

## 11. TRADE AND OTHER RECEIVABLES

|  | 2021<br>HK\$     | 2020<br>HK\$       |
|--|------------------|--------------------|
| Rental receivables (Note (i))              |                  |                    |
| - Within 30 days                           | 119,500          | 115,500            |
| - Within 31 days to 60 days                | 94,532           | 87,500             |
| - Within 61 days to 90 days                | 43,000           | 28,532             |
|  | <u>257,032</u>   | <u>231,532</u>     |
| Other receivables                          | 737,041          | 617,365            |
| Stamp duty receivables (Note (ii))         | -                | 105,575,000        |
| Deposits and prepayments                   | 281,340          | 271,520            |
|  | <u>1,275,413</u> | <u>106,695,417</u> |
| Less: Provision for expected credit losses | <u>(104,500)</u> | <u>(90,032)</u>    |
| Total trade and other receivables, net     | <u>1,170,913</u> | <u>106,605,385</u> |

### Notes:

- (i) Rental receivables from tenants are payable on presentation of invoices. Normally, monthly rentals are payable in advance by tenants in accordance with the respective lease term. As at 31 March 2021 and 2020, all trade and other receivables are expected to be recovered within one year. The ageing analysis is presented based on the invoice date at the end of the reporting period. The Group does not hold any collateral over these balances.
- (ii) During the year ended 31 March 2020, the Group acquired a redevelopment site located at No. 31 Fuk Tsun Street, Kowloon (the "Acquisition"). The Acquisition cost was approximately HK\$404,876,000, comprising the consideration of HK\$383,350,000, stamp duty, professional fees and other incidental costs. Stamp duty receivables in relation to the Acquisition are approximately HK\$105,575,000. The Group does not hold any collateral over these balances. During the year ended 31 March 2021, the balance at 31 March 2020 was fully refunded to the Group.

Movements on the provision for expected credit losses as follows:

|                                  | 2021<br>HK\$    | 2020<br>HK\$  |
|----------------------------------|-----------------|---------------|
| Balance at beginning of the year | 90,032          | -             |
| Provision                        | 105,945         | 90,032        |
| Write off                        | <u>(91,477)</u> | <u>-</u>      |
| Balance at end of the year       | <u>104,500</u>  | <u>90,032</u> |

## 12. BANK BORROWINGS - SECURED

The Group's secured bank loans at the end of the reporting period were repayable as follows:

|  | 2021<br>HK\$      | 2020<br>HK\$      |
|--|-------------------|-------------------|
| <b>Current liabilities</b>                     |                   |                   |
| - Within one year                              | 810,588           | 810,588           |
| - After one year but not exceeding two years   | 810,588           | 810,588           |
| - After two years but not exceeding five years | <u>17,105,727</u> | <u>17,916,315</u> |
|  | <u>18,726,903</u> | <u>19,537,491</u> |

Notes:

- (a) As at 31 March 2021, secured bank loans of approximately HK\$18,727,000 (2020: HK\$19,537,000) are classified as current liabilities as the related loan agreements contain a clause that provides the lenders with an unconditional right to demand repayment at any time at its own discretion.
- (b) The Group's secured bank loans bear interest at 1.55% above Hong Kong Interbank Offered Rate ("HIBOR"), or 1.8% per annum below Hong Kong Dollars Best Lending Rate ("BLR") of a commercial bank in Hong Kong (2020: 1.55% above HIBOR, or 1.8% below BLR).
- (c) As at 31 March 2021 and 2020, the Group's bank borrowings were secured by (i) investment properties amounting to approximately HK\$67,500,000 (2020: HK\$78,200,000) and (ii) a corporate guarantee amounting to HK\$32,900,000 (2020: HK\$32,900,000) given by the Company in favour of the bank for securing the aforesaid loans.
- (d) 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 2021 and 2020, the Group has not breached any of the covenants of the banking facilities.
- (e) The directors of the Company consider that the carrying amount of the bank borrowings approximates their fair value.

## 13. SHARE CAPITAL

|   | HK\$              |
|---|-------------------|
| <b>Issued and fully paid:</b>                           |                   |
| <b>At 1 April 2019, 31 March 2020 and 31 March 2021</b> |                   |
| - 40,000,000 ordinary shares                            | <u>40,000,000</u> |

## 14. DIVIDENDS

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

|  | 2021<br>HK\$     | 2020<br>HK\$      |
|--|------------------|-------------------|
| Interim dividend declared and paid of HK\$0.02<br>(2020: HK\$0.02) per ordinary share                                      | 800,000          | 800,000           |
| Interim special dividend declared and paid of HK\$0.03<br>(2020: Nil) per ordinary share                                   | 1,200,000        | -                 |
| Final dividend proposed after the end of the reporting<br>period of HK\$0.12 (2020: HK\$0.12) per ordinary share           | 4,800,000        | 4,800,000         |
| Final special dividend proposed after the end of the<br>reporting period of HK\$Nil (2020: HK\$0.15) per ordinary<br>share | -                | 6,000,000         |
|  | <u>6,800,000</u> | <u>11,600,000</u> |

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 attributable to the previous financial year, approved and paid during the year:

|   | 2021<br>HK\$      | 2020<br>HK\$     |
|---|-------------------|------------------|
| Final dividend for the year ended 31 March 2020 of<br>HK\$0.12 (2019: HK\$0.12) per ordinary share    | 4,800,000         | 4,800,000        |
| Final special dividend for the year ended 31 March 2020 of<br>HK\$0.15 (2019: Nil) per ordinary share | <u>6,000,000</u>  | <u>-</u>         |
|   | 10,800,000        | 4,800,000        |
| Unclaimed dividend forfeited*   | <u>(44,470)</u>   | <u>(68,525)</u>  |
|   | <u>10,755,530</u> | <u>4,731,475</u> |

\* Pursuant to Article 145 of the Articles of Association of the company, on 30 March 2021 the board of directors resolved that the dividends for the financial years 2013/14 to 2014/15 amounting to HK\$44,470 payable on or before 9 January 2015 remained unclaimed on 30 March 2021 be forfeited and recognised in the equity.

Pursuant to Article 145 of the Articles of Association of the company, on 31 March 2020 the board of directors resolved that the dividends for the financial years 2012/13 to 2013/14 amounting to HK\$68,525 payable on or before 9 January 2014 remained unclaimed on 31 March 2020 be forfeited and recognised in the equity.

The unclaimed dividend forfeited is a non-cash transaction.

## 15. CAPITAL COMMITMENT

At the end of the reporting period, the Group had the following commitment:

|  | 2021<br>HK\$      | 2020<br>HK\$      |
|--|-------------------|-------------------|
| <b>Contracted but not provided for:</b>                                |                   |                   |
| Capital expenditure for the redevelopment of the investment properties | 13,050,000        | 14,360,000        |
| <b>Authorised but not contracted for:</b>                              |                   |                   |
| Capital expenditure for the redevelopment of the investment properties | <u>54,000,000</u> | <u>40,000,000</u> |

## **DIVIDENDS**

In January 2021, the Company paid an interim dividend of 2 HK cents per share and an interim special dividend of 3 HK cents per share (2020: an interim dividend of 2 HK cents per share), totaling HK\$2,000,000 (2020: HK\$800,000).

The board will propose in the Annual General Meeting to be held on 3 September 2021 the payment of a final dividend of 12 HK cents per share (2020: final dividend of 12 HK cents per share and a final special dividend of 15 HK cents per share) in respect of the year ended 31 March 2021, absorbing a total amount of HK\$4,800,000 (2020: HK\$10,800,000). It is proposed that the dividend cheque will be dispatched on or about 29 September 2021 to the shareholders whose names are on the Register of Members on 14 September 2021.

## **CLOSURE OF REGISTER**

For the purpose of ascertaining the entitlement of the shareholders to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Friday, 27 August 2021 to Friday, 3 September 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 26 August 2021.

The register of members of the Company will also be closed from Friday, 10 September 2021 to Tuesday, 14 September 2021, 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 2021. To qualify for the receipt of the proposed 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 Thursday, 9 September 2021.



## **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 2021 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, SALES OR REDEMPTION**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company or any of its subsidiaries during the year under review.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Results**

For the year under review, the revenue of the Group decreased by approximately HK\$1,047,000 (or 4.8%), to approximately HK\$20,848,000, as compared to the preceding year.

During the year, the Group recorded a loss of approximately HK\$3,671,000, which is a substantial improvement by approximately HK\$85,639,000 (or 95.9%), as compared to the preceding year. Such improvement was mainly due to (i) a decrease in fair value loss on investment properties as compared to the preceding year; (ii) a decrease in fair value loss in equity instruments at fair value through profit or loss (“equity instruments at FVTPL”), as compared to the preceding year; and (iii) a one-off stamp duty refund, which was recorded as sundry income during the year ended 31 March 2021.

## **Property leasing**

The rental income of the Group was approximately HK\$13,339,000, representing a decrease of approximately HK\$1,719,000 (or 11.4%), as compared to the preceding year. The decrease was mainly due to continuous rental concession granted to certain tenants in COVID-19 pandemic since March 2020 and the increase in the vacancy rate of investment properties since November 2020.

During the year under review, the Group successfully applied for refund of buyer's stamp duty and partial refund of ad valorem stamp duty for the property located at No. 66 Ma Tau Chung Road, Kowloon under the Stamp Duty Ordinance (Cap 117). The refund of HK\$17,407,000 was recorded in sundry income for the year.

In March 2021, Wing Tai Investment Limited, a wholly-owned subsidiary of the Company, entered into a Memorandum of Understanding with an independent third party regarding the design and build contract for the soil improvement, foundation, excavation and pile cap construction works at No. 31 Fuk Tsun Street ("FTS project"). The consideration was capped at HK\$60,000,000. Up to the date of this announcement, it is in the stage of soil exploration and survey.

The property market in Hong Kong has been full of challenges following the COVID-19 pandemic. The Group recorded a fair value loss on investment properties of approximately HK\$28,100,000 (2020: HK\$85,101,000) during the year under review. As at 31 March 2021, the Group's investment properties portfolio amounted to HK\$918,500,000 (2020: HK\$940,000,000).

## **Property development**

For the year ended 31 March 2021, the Group recorded a fair value gain of HK\$30,000 (2020: HK\$120,000) on property held for or under development.

Regarding the land located at Lot No. 2874 RP in demarcation district 130 Tuen Mun, Lam Tei, New Territories, the Group re-applied and re-negotiated with the Lands Department for the proposed change from agricultural land use to commercial use in October 2018. As at the date of this announcement, the application is still in process.

## Share investments and dividend income

Dividend income decreased by approximately HK\$1,920,000 (or 28.2%) to HK\$4,878,000, as compared to the preceding year. The decrease was mainly due to the disposal of 754,107 shares in HSBC Holdings plc (stock code: 0005) (“HSBC”) in April 2020.

During the year under review, the Group recorded a realised gain on disposal of equity instruments at FVTPL of approximately HK\$2,630,000 (2020: HK\$39,000). The Group also realised a loss of disposal on equity instruments at fair value through other comprehensive income (“equity instruments at FVTOCI”) of approximately HK\$4,062,000 (2020: gain of approximately HK\$8,336,000), which was directly transferred from fair value reserve to retained profits. The loss was mainly derived from the disposal of 381,758 shares in HSBC in April 2020.

To strengthen and diversify the share investment portfolio of the Group, the Group purchased certain listed securities at a total cost of approximately HK\$18,000,000 for long-term investment purpose during the year. Significant purchases during the year included CLP Holdings Limited (stock code: 0002) and Alibaba Group Holding Limited (stock code: 9988) (“Alibaba”). Also, the Group increased its share investment portfolio for trading purposes during the year. The major purchase included Alibaba and Anhui Conch Cement Company Limited (stock code: 0914). Reference is also made to the announcement dated 11 March 2021 (the “Announcement”). As set out in the Announcement, the Group acquired in aggregate 110,000 shares of Alibaba which were for trading purpose and strategic investment, through a series of transaction in the open market during the period from 6 November 2020 to 11 March 2021 at an aggregate consideration of approximately HK\$27,222,000 (the “Transaction”). The Transaction, when aggregated together, constituted a discloseable transaction.

During the year under review, the Group recorded an unrealised loss on equity instruments at FVTPL of approximately HK\$6,092,000 (2020: HK\$19,902,000) and unrealised gain on equity instruments at FVTOCI of HK\$15,002,000 (2020: unrealised loss of approximately HK\$33,663,000) which were recorded in the consolidated statement of profit or loss and other comprehensive income respectively. As at 31 March 2021, the Group’s listed share investment portfolios had an aggregate fair value of approximately HK\$183,692,000 (2020: HK\$137,362,000).

## Share investments and dividend income - Continued

Details of the Group's share investment portfolios as at 31 March 2021 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<br>(HK\$'000) | Fair value at<br>31.3.2021<br>(HK'000) | Proportional<br>to total<br>assets of<br>the Group | Fair value<br>gain/(loss)<br>during<br>the year<br>(HK\$'000) | Gain/<br>(loss) on<br>disposal<br>(HK\$'000) | Dividend<br>income<br>(HK\$'000) |
|------------|---|---------------------------|--------------------------------|--|--|---|--|----------------------------------|
| 1. 388     | Hong Kong Exchanges and Clearing Limited                            | Financials                | 11,666                         | 25,855                                 | 2.1%   | 12,653  | -  | 462                              |
| 2. 2       | CLP Holdings Limited  | Utilities                 | 10,937                         | 15,100                                 | 1.2%   | 487   | -  | 557                              |
| 3. 17      | New World Development Co. Ltd.                                      | Properties & Construction | 10,472                         | 11,706                                 | 1.0%   | 2,184   | 751  | 594                              |
| 4. 1113    | CK Asset Holdings Limited   | Properties & Construction | 3,598                          | 8,741                                  | 0.7%   | 890   | -  | 221                              |
| 5. 1398    | Industrial and Commercial Bank of China Limited ("ICBC") - H Shares | Financials                | 6,881                          | 6,703                                  | 0.6%   | 324   | -  | 311                              |
| 6. 1       | CK Hutchison Holdings Limited                                       | Conglomerates             | 9,479                          | 6,207                                  | 0.5%   | 967   | -  | 292                              |
| 7. 9988    | Alibaba Group Holding Limited - SW                                  | Information technology    | 6,0                            | 5,500                                  | 0.4%   | (529)   | -  | -                                |
| 8. 386     | China Petroleum & Chemical Corporation - H Shares                   | Energy                    | 7,030                          | 4,761                                  | 0.4%   | 574   | -  | 242                              |
|            | Other securities (note (1))   |                           | 17,674                         | 10,689                                 | 0.9%   | (2,548)   | (4,813)                                      | 560                              |
|            | <b>Total</b>  |                           | <b>83,766</b>                  | <b>95,262</b>                          | <b>7.8%</b>  | <b>15,002</b>   | <b>(4,062)</b>                               | <b>3,239</b>                     |

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

Loss of approximately HK\$4,865,000 from the sale of 381,758 shares in HSBC in April 2020 has been included in loss on disposal of "Other securities".

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

## Share investments and dividend income - Continued

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

| Stock code   | Stock name                                      | Principal business     | Investment costs<br>(HK\$'000) | Fair value at<br>31.3.2021<br>(HK'000) | Proportional<br>to total<br>assets of<br>the Group | Fair value<br>gain/(loss)<br>during<br>the year<br>(HK\$'000) | Gain/<br>(loss) on<br>disposal<br>(HK\$'000) | Dividend<br>income<br>(HK\$'000) |
|--------------|---|------------------------|--------------------------------|--|--|---|--|----------------------------------|
| 1. 9988      | Alibaba Group Holding Limited - SW              | Information technology | 21,342                         | 18,700                                 | 1.5%   | (2,642)   | 273  | -                                |
| 2. 2628      | China Life Insurance Company Limited - H Shares | Financials             | 15,710                         | 13,490                                 | 1.1%   | (94)  | -  | 317                              |
| 3. 914       | Anhui Conch Cement Company Limited - H Shares   | Materials              | 14,506                         | 13,143                                 | 1.1%   | (1,363)   | 1  | -                                |
| 4. 1398      | ICBC - H Shares                                 | Financials             | 8,388                          | 7,254                                  | 0.6%   | 351   | -  | 336                              |
| 5. 6808      | Sun Art Retail Group Limited                    | Consumer staples       | 7,608                          | 6,042                                  | 0.5%   | (1,566)   | -  | -                                |
| 6. 3988      | Bank of China Limited - H Shares                | Financials             | 6,556                          | 5,233                                  | 0.4%   | (18)  | -  | 333                              |
|              | Other securities<br>(note (1))                  |                        | 29,045                         | 24,568                                 | 2.0%   | (760)   | 2,356  | 653                              |
| <b>Total</b> |   |                        | <b>103,155</b>                 | <b>88,430</b>                          | <b>7.2%</b>  | <b>(6,092)</b>  | <b>2,630</b>                                 | <b>1,639</b>                     |

Note (1): Other securities included 15 stocks listed in Hong Kong, seven of which were current constituents of the Hang Seng Index and their principal businesses are properties and construction, energy, consumer staples, automobile and information technology. The market value of each individual stock was less than 5% of the market value of the Group's share investment portfolio for trading purpose.

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

## **Liquidity and financial resources**

As at 31 March 2021, the Group's total bank borrowings were approximately HK\$18,727,000, all of which were wholly repayable within five years (2020: HK\$19,537,000). 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, remained at 1.6%. The Group's banking facilities are subject to review at any time, and also subject to the Bank's overriding right of repayment on demand.

Cash held by the Group as at 31 March 2021 amounted to approximately HK\$108,291,000 (2020: HK\$27,979,000). The Group's outstanding capital commitments for property redevelopment projects, which were contracted but not provided for, were HK\$13,050,000. The capital expenditures for redevelopment projects are expected to be partly funded by internal resources and partly funded by construction loans. 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, project development expenditure and loan repayment obligations. The Group will arrange new credit facilities for the Group's property development, when necessary. In the long run, the Group will continue to adopt an optimal financial structure for the best interests of its shareholders in light of changes in economic conditions.

The Group did not use any financial instruments for hedging purposes during the years ended 31 March 2021 and 2020.

## **Assets pledged**

As at 31 March 2021, the Group's investment properties with an aggregate carrying value of HK\$67,500,000 (2020: HK\$78,200,000) were pledged to a bank to secure general banking facilities granted to the Group.

## **Contingent liabilities**

The Group did not have any contingent liabilities as at 31 March 2021 and 2020.

## PROSPECTS

The COVID-19 pandemic has been around for more than one and a half years. The anti-epidemic measures adopted by each country, such as lockdown and quarantine, have severely dampened local and global economic activities and brought unprecedented challenges. General consumption pattern has changed and digital/online consumption is now increasingly popular. Many retail shops, catering, tourism and other businesses shut down amid the COVID-19 pandemic. Temporary rental concessions have been granted to certain tenants by the Group, on case by case basis, since the outbreak of COVID-19. As a result, the Group's property leasing, property development and share investments have been and may continue to be adversely affected. The value of properties and rental yield of the Group's properties, especially commercial shops, will experience further downward pressure.

Many countries/cities have been focusing on encouraging people to vaccinate. The vaccination program was launched in Hong Kong in March 2021. As COVID-19 vaccines have only been developed in the past months, it is too early to know the duration of protection of the vaccines. It is uncertain whether the vaccines will protect against new virus variants effectively. There is possibility that there will be new virus variants across different countries in the near future. The Group expects the lockdown and quarantine policy will be in force in short and medium term. The Group will keep a close watch on the spread of virus variants and quarantine policies, and continuously review the rental policy in order to minimize the vacancy rates. The Group will also closely monitor the market change and political change and make appropriate strategic adjustment on assets portfolio in order to safeguard the assets of the Group and consequential return to shareholders.

By Order of the Board

**Ng Tai Wai**  
Chairman

Hong Kong, 25 June 2021

*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.*