

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 2024**

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 2024 together with comparative figures for the year ended 31 March 2023. 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 2024**

	Notes	2024 HK\$	2023 HK\$
Revenue	4	20,052,902	19,239,752
Other revenue and losses, net	5	(11,596,265)	(5,665,577)
Fair value loss on investment properties		(48,900,000)	(41,600,000)
Administrative and general expenses		(7,201,354)	(6,402,696)
Finance costs		<u>(673,375)</u>	<u>(520,986)</u>
Loss before income tax	6	(48,318,092)	(34,949,507)
Income tax expense	7	<u>(1,430,133)</u>	<u>(1,277,850)</u>
Loss for the year attributable to the owners of the Company		<u>(49,748,225)</u>	<u>(36,227,357)</u>
Other comprehensive income:			
<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>(10,241,447)</u>	<u>(6,610,528)</u>
Other comprehensive income for the year		<u>(10,241,447)</u>	<u>(6,610,528)</u>
Total comprehensive income for the year attributable to the owners of the Company		<u>(59,989,672)</u>	<u>(42,837,885)</u>
Loss per share (Basic and diluted)	8	<u>(1.24)</u>	<u>(0.91)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Notes	2024 HK\$	2023 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,295,805	1,364,522
Investment properties	9	856,700,000	902,600,000
Properties held for future development		5,550,000	5,550,000
Equity instruments at fair value through other comprehensive income	10	49,977,331	62,367,257
		<u>913,523,136</u>	<u>971,881,779</u>
Current assets			
Equity instruments at fair value through profit or loss (“equity instruments at FVTPL”)		45,350,571	59,266,116
Trade and other receivables	11	778,692	585,703
Tax recoverable		767	38,359
Cash and bank balances		140,603,978	134,256,374
		<u>186,734,008</u>	<u>194,146,552</u>
Current liabilities			
Other payables		2,989,713	4,247,254
Bank borrowings - secured	12	16,295,139	17,105,727
Tax payable		505,768	289,247
		<u>19,790,620</u>	<u>21,642,228</u>
Net current assets		<u>166,943,388</u>	<u>172,504,324</u>
Total assets less current liabilities		1,080,466,524	1,144,386,103
Non-current liabilities			
Other payables		1,882,630	301,928
Deferred tax liabilities		1,046,414	1,041,925
		<u>2,929,044</u>	<u>1,343,853</u>
NET ASSETS		<u>1,077,537,480</u>	<u>1,143,042,250</u>
EQUITY			
Capital and reserves			
Share capital	13	40,000,000	40,000,000
Reserves		1,037,537,480	1,103,042,250
TOTAL EQUITY		<u>1,077,537,480</u>	<u>1,143,042,250</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Share capital HK\$	Capital reserve* HK\$	Fair value reserve* HK\$	Retained profits* HK\$	Total HK\$
At 1 April 2022	40,000,000	251,046	6,717,752	1,144,461,855	1,191,430,653
Loss for the year	-	-	-	(36,227,357)	(36,227,357)
Other comprehensive income:					
Changes in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	-	-	(6,610,528)	-	(6,610,528)
Total other comprehensive income	-	-	(6,610,528)	-	(6,610,528)
Total comprehensive income	-	-	(6,610,528)	(36,227,357)	(42,837,885)
Fair value reserve transferred to retained profits upon disposal of equity instruments at FVTOCI	-	-	(851,902)	851,902	-
Dividends approved, net of unclaimed dividend forfeited, in respect of the previous year (Note 14)	-	-	-	(4,750,518)	(4,750,518)
Dividends declared in respect of the current year (Note 14)	-	-	-	(800,000)	(800,000)
At 31 March 2023 and 1 April 2023	40,000,000	251,046	(744,678)	1,103,535,882	1,143,042,250
Loss for the year	-	-	-	(49,748,225)	(49,748,225)
Other comprehensive income:					
Changes in fair value of equity instruments at FVTOCI	-	-	(10,241,447)	-	(10,241,447)
Total other comprehensive income	-	-	(10,241,447)	-	(10,241,447)
Total comprehensive income	-	-	(10,241,447)	(49,748,225)	(59,989,672)
Fair value reserve transferred to retained profits upon disposal of equity instruments at FVTOCI	-	-	(234,588)	234,588	-
Dividends approved, net of unclaimed dividend forfeited, in respect of the previous year (Note 14)	-	-	-	(4,715,098)	(4,715,098)
Dividends declared in respect of the current year (Note 14)	-	-	-	(800,000)	(800,000)
At 31 March 2024	<u>40,000,000</u>	<u>251,046</u>	<u>(11,220,713)</u>	<u>1,048,507,147</u>	<u>1,077,537,480</u>

* These reserve accounts comprise the consolidated reserves of approximately HK\$1,037,537,480 in the consolidated statement of financial position as at 31 March 2024 (2023: HK\$1,103,042,250).

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 2024 and 2023 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 2023 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 2024 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 2024 and 2023. 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 and revised HKFRSs

The HKICPA has issued a new and number of amendments to HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8 Amendments to HKAS 12	Disclosure of Accounting Estimates Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12 Amendments to HKAS 1 and HKFRS Practice Statement 2	International Tax reform - Pillar Two Model Rules Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s results and financial position for the current or prior years and/or on the disclosures set out in these consolidated financial statements.

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

2.1 Adoption of new and revised HKFRSs - Continued

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year has had no material impact on the consolidated financial statements.

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The HKICPA issued HKFRS Practice Statement 2 Making Materiality Judgements in March 2021 to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS.

In April 2021, the HKICPA issued amendments to HKAS 1 and HKFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial, and therefore requiring disclosure. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies to the consolidated financial statements.

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the provisions for decommissioning and restoration and the corresponding amounts recognised as part of the cost of the related assets.

The application of the amendments has had no material impact on the consolidated financial statements.

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

2.2 New guidance on accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong issued by HKICPA

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) was gazetted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers’ mandatory contributions under the mandatory provident fund (“MPF”) to offset severance payment (“SP”) and long service payments (“LSP”) (the “Abolition”). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025 (the “Transition Date”).

The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers’ mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.
- The pre-transition LSP/SP is calculated using the last month’s salary immediately preceding the Transition Date, instead of using the salary of employment termination date.

Due to the complexities of the accounting for the offsetting of employer’s MPF contributions and its LSP obligation and the accounting for the offsetting mechanism could become material in light of the Abolition, the HKICPA published ‘Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong’ (the “Guidance”) in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches, being:

- Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee’s LSP benefits in terms of HKAS 19.93(a).
- Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation.

For the year ended 31 March 2024 and 2023, the Group’s LSP liability was HK\$118,000. Application of the Guidance had no material effect on the consolidated financial statements of the Group.

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

2.3 Revised HKFRSs that have been issued but are not yet effective

The following amended 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.

Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised) ¹
Amendments to HKAS 7 and HKFRS 7	Suppliers Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after a date to be determined.

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

The Group has not early applied any amended HKFRSs that is not yet effective for the current accounting period.

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 future 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	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Segment revenue								
- external customer	5,410,315	6,502,203	14,642,587	12,737,549	-	-	20,052,902	19,239,752
Segment results before net gains or losses	4,021,599	5,112,215	10,456,260	9,334,896	(31,210)	(18,855)	14,446,649	14,428,256
Fair value loss on equity instruments at FVTPL	(15,085,055)	(6,781,631)	-	-	-	-	(15,085,055)	(6,781,631)
Fair value loss on investment properties	-	-	(48,900,000)	(41,600,000)	-	-	(48,900,000)	(41,600,000)
Fair value loss on properties held for future development	-	-	-	-	(130,000)	-	(130,000)	-
Segment results	(11,063,456)	(1,669,416)	(38,443,740)	(32,265,104)	(161,210)	(18,855)	(49,668,406)	(33,953,375)
Bank interest income							3,594,790	948,054
Finance costs							(673,375)	(520,986)
Unallocated corporate expenses							(1,571,101)	(1,423,200)
Loss before income tax							(48,318,092)	(34,949,507)

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:

	2024 HK\$	2023 HK\$
Customer A	5,408,019	4,834,922
Customer B	3,018,000	2,808,000

For the years ended 31 March 2024 and 2023, 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	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Assets								
Segment assets	101,369,099	146,267,561	867,718,176	915,711,802	5,550,000	5,550,000	974,637,275	1,067,529,363
Tax recoverable	-	-	-	31,733	767	6,626	767	38,359
	<u>101,369,099</u>	<u>146,267,561</u>	<u>867,718,176</u>	<u>915,743,535</u>	<u>5,550,767</u>	<u>5,556,626</u>	<u>974,638,042</u>	<u>1,067,567,722</u>
Unallocated corporate assets							<u>125,619,102</u>	<u>98,460,609</u>
Total assets							<u>1,100,257,144</u>	<u>1,166,028,331</u>
Liabilities								
Segment liabilities	273,364	278,090	19,419,501	19,831,107	107,208	103,858	19,800,073	20,213,055
Tax payable and deferred tax liabilities	-	-	1,552,182	1,331,172	-	-	1,552,182	1,331,172
	<u>273,364</u>	<u>278,090</u>	<u>20,971,683</u>	<u>21,162,279</u>	<u>107,208</u>	<u>103,858</u>	<u>21,352,255</u>	<u>21,544,227</u>
Unallocated corporate liabilities							<u>1,367,409</u>	<u>1,441,854</u>
Total liabilities							<u>22,719,664</u>	<u>22,986,081</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		Property development		Total	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Capital expenditure	-	8,967	3,013,780	51,143	130,000	-	3,143,780	60,110
Loss on disposal of property, plant and equipment	-	1,561	1,501	17,161	-	-	1,501	18,722
Depreciation	1,193	1,477	79,803	79,337	-	-	80,996	80,814
Reversal of provision for expected credit losses on trade and other receivables	-	-	12,000	89,500	-	-	12,000	89,500
Fair value loss on equity instruments at FVTOCI	10,241,447	6,610,528	-	-	-	-	10,241,447	6,610,528
Gains on disposal of equity instruments at FVTOCI transferred from fair value reserve to retained profits	<u>234,588</u>	<u>851,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,588</u>	<u>851,902</u>

4. REVENUE

	2024 HK\$	2023 HK\$
Gross rental income from investment properties	14,642,587	12,737,549
Dividend income from listed investments		
- Equity instruments at FVTPL	2,660,095	3,446,593
- Equity instruments at FVTOCI		
- related to investments derecognised during the year	22,050	26,850
- related to investments held at the end of the reporting period	<u>2,728,170</u>	<u>3,028,760</u>
	<u>20,052,902</u>	<u>19,239,752</u>

5. OTHER REVENUE AND LOSSES, NET

	2024 HK\$	2023 HK\$
Bank interest income	3,594,790	948,054
Fair value loss on equity instruments at FVTPL	(15,085,055)	(6,781,631)
Fair value loss on properties held for future development	(130,000)	-
Government subsidies (Note)	-	144,000
Sundry income	<u>24,000</u>	<u>24,000</u>
	<u>(11,596,265)</u>	<u>(5,665,577)</u>

Note: The Government subsidies represented subsidies under the Employment Support Scheme launched by the Hong Kong Special Administrative Region Government. There were no unfulfilled conditions and other contingencies attached to the recognition of those subsidies.

6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	2024 HK\$	2023 HK\$
Auditors' remuneration		
- audit services	451,000	408,000
- non-audit services	118,800	110,400
Depreciation	80,996	80,814
Direct operating expenses in respect of investment properties		
- that generated rental income	572,029	392,280
- that did not generate rental income	120,870	116,473
Interest on bank borrowings	673,375	520,986
Loss on disposal of property, plant and equipment	1,501	18,722
Reversal of provision for expected credit losses on trade and other receivables	(12,000)	(89,500)

7. INCOME TAX EXPENSE

	2024 HK\$	2023 HK\$
Current income tax - Hong Kong Profits tax	1,437,000	1,241,000
Over provision in prior years	(11,356)	(35,684)
	<u>1,425,644</u>	<u>1,205,316</u>
Deferred income tax	<u>4,489</u>	<u>72,534</u>
Income tax expense	<u>1,430,133</u>	<u>1,277,850</u>

Hong Kong Profits tax is calculated at the rate of 16.5% (2023: 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% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

8. LOSS PER SHARE

The basic loss per share for the year is calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue held by the Group of 40,000,000 (2023: 40,000,000) during the year. There were no dilutive potential ordinary share outstanding for both years.

9. INVESTMENT PROPERTIES

	2024 HK\$	2023 HK\$
Fair value		
At the beginning of year (level 3 recurring fair value)	902,600,000	944,200,000
Additions	3,000,000	-
Decrease in fair value recognised in profit or loss	<u>(48,900,000)</u>	<u>(41,600,000)</u>
At the end of year (level 3 recurring fair value)	<u>856,700,000</u>	<u>902,600,000</u>

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

	2024 HK\$	2023 HK\$
Short-term lease	16,500,000	17,000,000
Medium-term leases	230,800,000	231,600,000
Long-term leases	<u>609,400,000</u>	<u>654,000,000</u>
	<u>856,700,000</u>	<u>902,600,000</u>

Lease payments may be varied periodically to reflect market rentals.

The investment properties were revalued on 31 March 2024 and 31 March 2023 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\$522,000,000 (2023: HK\$564,000,000) as at 31 March 2024 represents the investment properties under redevelopment in Hong Kong.

At 31 March 2024, the investment properties with aggregate carrying value of approximately HK\$61,300,000 (2023: HK\$63,000,000) have been pledged to a bank to secure general bank facilities of the Group.

10. EQUITY INSTRUMENTS AT FVTOCI

	2024 HK\$	2023 HK\$
Listed shares in Hong Kong, at fair value and classified as non-current assets		
At the beginning of the year	62,367,257	70,315,381
Disposals	(2,148,479)	(1,337,596)
Decrease in fair value	<u>(10,241,447)</u>	<u>(6,610,528)</u>
At the end of the year	<u>49,977,331</u>	<u>62,367,257</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	2024 HK\$'000	2023 HK\$'000
388	Hong Kong Exchanges and Clearing Limited	Financials	10,599	16,201
2	CLP Holdings Limited	Utilities	10,288	11,340
386	China Petroleum & Chemical Corporation - H Shares	Energy	5,106	5,336
1398	Industrial and Commercial Bank of China Limited - H Shares	Financials	4,733	5,021
1113	CK Asset Holdings Limited	Properties & Construction	<u>3,870</u>	<u>5,727</u>

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\$2,148,479 (2023: HK\$1,337,596), resulting in a transfer of accumulated profit on the equity instruments at FVTOCI of HK\$234,588 (2023: HK\$851,902) 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

	2024 HK\$	2023 HK\$
Rental receivables (note)		
- Within 30 days	100,485	77,500
- Within 31 days to 60 days	47,500	52,500
- Within 61 days to 90 days	-	22,500
	<u>147,985</u>	<u>152,500</u>
Other receivables	343,424	150,673
Deposits and prepayments	<u>329,783</u>	<u>337,030</u>
	821,192	640,203
Less: Provision for expected credit losses	<u>(42,500)</u>	<u>(54,500)</u>
Total trade and other receivables, net	<u><u>778,692</u></u>	<u><u>585,703</u></u>

Note:

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 2024 and 2023, 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 holds rental deposits as collateral over these balances.

Movements on the provision for expected credit losses as follows:

	2024 HK\$	2023 HK\$
Balance at beginning of the year	54,500	180,000
Reversal of provision	(12,000)	(89,500)
Write off	-	(36,000)
	<u>42,500</u>	<u>54,500</u>
Balance at end of the year	<u><u>42,500</u></u>	<u><u>54,500</u></u>

12. BANK BORROWINGS - SECURED

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

	2024 HK\$	2023 HK\$
Current liabilities		
- Within one year	16,295,139	810,588
- After one year but not exceeding two years	-	16,295,139
	<u>16,295,139</u>	<u>17,105,727</u>

Notes:

- (a) As at 31 March 2024, secured bank loans of HK\$16,295,139 (2023: HK\$17,105,727) 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 (2023: 1.55% above HIBOR, or 1.8% below BLR). During the year, the finance costs on bank borrowings were HK\$673,375 (2023: HK\$520,986).
- (c) As at 31 March 2024 and 2023, the Group's bank borrowings were secured by (i) investment properties of the Group amounting to approximately HK\$61,300,000 (2023: HK\$63,000,000) (note 9) and (ii) a corporate guarantee amounting to HK\$32,900,000 (2023: 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 2024 and 2023, 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\$
Issued and fully paid:	
At 1 April 2022, 31 March 2023 and 31 March 2024	
- 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:

	2024 HK\$	2023 HK\$
Interim dividend declared and paid of HK\$0.02 (2023: HK\$0.02) per ordinary share	800,000	800,000
Final dividend proposed after the end of the reporting period of HK\$0.12 (2023: HK\$0.12) per ordinary share	<u>4,800,000</u>	<u>4,800,000</u>
	<u>5,600,000</u>	<u>5,600,000</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:

	2024 HK\$	2023 HK\$
Final dividend for the year ended 31 March 2023 of HK\$0.12 (2022: HK\$0.12) per ordinary share	4,800,000	4,800,000
Unclaimed dividend forfeited*	<u>(84,902)</u>	<u>(49,482)</u>
	<u>4,715,098</u>	<u>4,750,518</u>

- * Pursuant to Article 145 of the Articles of Association of the company, on 19 March 2024 the board of directors resolved that the dividends for the financial years 2016/17 to 2017/18 amounting to HK\$84,902 payable on or before 10 January 2018 remained unclaimed on 19 March 2024 be forfeited and recognised in the equity.

Pursuant to Article 145 of the Articles of Association of the company, on 22 March 2023 the board of directors resolved that the dividends for the financial years 2015/16 to 2016/17 amounting to HK\$49,482 payable on or before 6 January 2017 remained unclaimed on 22 March 2023 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:

	2024 HK\$	2023 HK\$
Contracted but not provided for:		
Capital expenditure for the redevelopment of the investment properties	<u>12,050,000</u>	<u>13,050,000</u>
Authorised but not contracted for:		
Capital expenditure for the redevelopment of the investment properties	<u>54,000,000</u>	<u>54,000,000</u>

DIVIDENDS

In January 2024, the Company paid an interim dividend of 2 HK cents per share (2023: 2 HK cents), totaling HK\$800,000 (2023: HK\$800,000).

The board will propose in the Annual General Meeting to be held on 9 September 2024 the payment of a final dividend of 12 HK cents per share (2023:12 HK cents per share) in respect of the year ended 31 March 2024, absorbing a total amount of HK\$4,800,000 (2023: HK\$4,800,000). It is proposed that the dividend cheque will be dispatched on or about 30 September 2024 to the shareholders whose names are on the Register of Members on 17 September 2024.

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, 4 September 2024 to Monday, 9 September 2024, 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, 3 September 2024.

The register of members of the Company will also be closed from Monday, 16 September 2024 to Tuesday, 17 September 2024, 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 2024. 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 Friday, 13 September 2024.

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 C1 of the Listing Rules throughout the year ended 31 March 2024 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; and
2. The Group has not arranged insurance cover in respect of legal action against its directors as the Board considers that there is prudent management policy currently in place. However, 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 increased by approximately HK\$813,000 (or 4.2%), to approximately HK\$20,053,000, as compared to the preceding year. The Group recorded a loss of approximately HK\$49,748,000, representing an increase in loss of approximately HK\$13,521,000 (or 37.3%), as compared to the preceding year. The increase was mainly due to an increase in fair value loss on investment properties and equity instruments at FVTPL incurred during the year.

Property leasing

The rental income of the Group for the year ended 31 March 2024 was approximately HK\$14,643,000, representing an increase of approximately HK\$1,905,000 (or 15%), as compared to the preceding year. The increase was mainly due to an increase in occupancy rate and a decrease in rental concession during the year following the relaxation of precautionary measures of COVID-19.

Excluding a recurring valuation gain or loss of investment properties, the leasing segment recorded a profit of approximately HK\$10,456,000 for the year ended 31 March 2024, representing an increase of approximately HK\$1,121,000 (or 12%), as compared to the preceding year.

Regarding the redevelopment project on No. 31 Fuk Tsun Street (“FTS Project”), the site investigation was completed, and the foundation (large diameter bored pile) plan was approved during the year. Due to interest rate hikes, a weaker-than-expected economic recovery, and continued downward pressure on Hong Kong property values, financial institutions have continuously tightened the lending policy and are particularly conservative and prudent in their lending attitudes towards the real estate business. With such an unfavourable business environment, the Group has slowed down the progress of the redevelopment in order to minimize the negative impact on shareholders’ interests. The Group will continue to take due care to assess the cost and benefit of the project and review the market changes from time to time. The Group will speed up or further slow down the redevelopment plan if and when the directors consider it appropriate, subject to prevailing market conditions.

The Group recorded a fair value loss on investment properties of approximately HK\$48,900,000 (2023: HK\$41,600,000) during the year under review. As at 31 March 2024, the Group’s investment properties portfolio amounted to HK\$856,700,000 (2023: HK\$902,600,000).

Property development

For the year ended 31 March 2024, the Group recorded a fair value loss of HK\$130,000 (2023: Nil) on property held for future development.

As at the date of this report, there was no significant progress on the development.

Share investments and dividend income

Dividend income for the year ended 31 March 2024 decreased by approximately HK\$1,092,000 (equivalent to approximately 16.8%) to HK\$5,410,000, as compared to the preceding year. The decrease was mainly due to a decrease in the distribution of dividends by listed shares.

During the year under review, the Group disposed of certain equity instruments at fair value through other comprehensive income (“equity instruments at FVTOCI”) at an aggregate consideration of approximately HK\$2,148,000 and realised a gain of approximately HK\$235,000 (2023: HK\$852,000) which was directly transferred from fair value reserve to retained profits.

During the year under review, the Group recorded a fair value loss on equity instruments at FVTPL of approximately HK\$15,085,000 (2023: HK\$6,782,000) and a fair value loss on equity instruments at FVTOCI of HK\$10,241,000 (2023: HK\$6,611,000) which were recorded in the consolidated statement of profit or loss and other comprehensive income respectively. As at 31 March 2024, the Group’s listed share investment portfolios had an aggregate fair value of approximately HK\$95,328,000 (2023: HK\$121,633,000).

Share investments and dividend income - Continued

Details of the top five of the Group's share investment portfolios as at 31 March 2024 for long-term investment and trading purposes are set out in Table 1 and Table 2 below, respectively:

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

Stock code	Stock name	Principal Business	Investment Costs (HK\$'000)	Fair value at 31.3.2024 (HK'000)	Proportional to total assets of the Group	Fair value (loss)/gain during the year (HK\$'000)	Gain on disposal (HK\$'000)	Dividend income (HK\$'000)
1. 388	Hong Kong Exchanges and Clearing Limited	Financials	9,602	10,599	1.0%	(5,602)	-	391
2. 2	CLP Holdings Limited	Utilities	9,023	10,288	0.9%	1,096	235	534
3. 386	China Petroleum & Chemical Corporation - H shares	Energy	7,030	5,106	0.5%	(230)	-	388
4. 1398	Industrial & Commercial Bank of China Limited ("ICBC") - H Shares	Financials	6,881	4,733	0.4%	(288)	-	356
5. 1113	CK Assets Holdings Limited	Properties & Construction	2,335	3,870	0.3%	(1,857)	-	274
	Other securities (note(1))		33,615	15,381	1.4%	(3,360)	-	807
	Total		68,486	49,977	4.5%	(10,241)	235	2,750

Note (1): Other securities included ten stocks listed on the Hong Kong Stock Exchange, six of which were current constituents of the Hang Seng Index and their principal businesses mainly included property and construction, conglomerates, financials, and information technology.

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 top five in the Group's Share Investment Portfolio for Trading Purpose

Stock code	Stock name	Principal business	Investment Costs (HK\$'000)	Fair value at 31.3.2024 (HK'000)	Proportional to total assets of the Group	Fair value (loss)/gain during the year (HK\$'000)	Dividend income (HK\$'000)
1. 2628	China Life Insurance Co. Ltd. - H Shares	Financials	14,962	7,512	0.7%	(2,808)	286
2. 9988	Alibaba Group Holdings Ltd - SW	Information Technology	20,312	6,674	0.6%	(2,864)	93
3. 3988	Bank of China - H Shares	Financials	6,556	5,711	0.5%	389	401
4. 1398	ICBC - H Shares	Financials	8,388	5,122	0.5%	(312)	385
5. 386	China Petroleum & Chemical Corporation - H shares	Energy	6,074	3,774	0.3%	(170)	286
	Other securities (note (1))		46,158	16,558	1.5%	(9,453)	1,209
	Total		102,450	45,351	4.1%	(15,218)	2,660

Note (1): Other securities included 21 stocks listed on the Hong Kong Stock Exchange, seven of which were current constituents of the Hang Seng Index and their principal businesses were properties and construction, financials, energy, consumer staples, automobile, utilities and real estate REIT.

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 2024, the Group's total bank borrowings amounted to approximately HK\$16,295,000, all of which were denominated in Hong Kong dollars wholly repayable within one year (2023: within two years HK\$17,106,000). 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 1.5%. 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 2024 amounted to approximately HK\$140,604,000 (2023: HK\$134,256,000). The Group's outstanding capital commitments for property redevelopment projects, which were contracted but not provided for, were HK\$12,050,000. 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 Group 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 continue to closely monitor the market changes especially interest rate hikes, policies implemented by the Hong Kong Monetary Authority and the Government of HKSAR, and the banker's lending attitude towards the real estate business. The Group will arrange new credit facilities for the Group's property development when the Group considers it is in the best of the shareholders as a whole. 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 2024 and 2023.

Assets pledged

As at 31 March 2024, the Group's investment properties with an aggregate carrying value of HK\$61,300,000 (2023: HK\$63,000,000) 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 2024 and 2023.

PROSPECTS

Looking ahead, the Company's business will be continuously challenging. After the relaxation of epidemic prevention measures in Hong Kong since January 2024, the consumption patterns have further changed. "Go North for Consumption" becomes a trend that adversely affects amusement, retail and catering businesses in Hong Kong. The local economic recovery is weaker than expected.

Although the Hong Kong Government has cancelled all demand-side management measures for residential properties resulting in an increase in the number of transactions since late February 2024, the Hong Kong property market is still weak. The property developers are now more conservative and prudent due to the high interest rates, tightening lending policies implemented by the bankers, geopolitical concerns, Sino-US trade war, and other factors. In the short to medium term, we expect the property and securities market will be under pressure. We will keep monitoring the market sentiment and interest rate trend, and make appropriate decisions in each business segment and property development plans which would be in the best interest of the shareholders of the Company. When appropriate, the Group will negotiate loan arrangements with a bank to get the redevelopment projects back on track.

By Order of the Board

Ng Tai Wai
Chairman

Hong Kong, 25 June 2024

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.