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WINFAIR INVESTMENT COMPANY LIMITED

永發置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 287)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

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 2025 together with comparative figures for the year ended 31 March 2024. 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 2025

	Notes	2025 HK\$	2024 HK\$
Revenue	4	21,446,588	20,052,902
Other revenue and gains/(losses), net	5	22,292,797	(11,596,265)
Fair value loss on investment properties		(108,906,023)	(48,900,000)
Administrative and general expenses		(7,708,579)	(7,201,354)
Finance costs		(201,367)	(673,375)
Loss before income tax	6	(73,076,584)	(48,318,092)
Income tax expense	7	(1,639,096)	(1,430,133)
Loss for the year attributable to the owners of the Company		(74,715,680)	(49,748,225)
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at fair value through other comprehensive income		10,395,974	(10,241,447)
Other comprehensive income for the year		10,395,974	(10,241,447)
Total comprehensive income for the year attributable to the owners of the Company		(64,319,706)	(59,989,672)
Loss per share (Basic and diluted)	8	(1.87)	(1.24)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	2025 HK\$	2024 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,216,254	1,295,805
Investment properties	9	747,800,000	856,700,000
Properties held for future development		5,550,000	5,550,000
Equity instruments at fair value through other comprehensive income	10	60,373,305	49,977,331
		<u>814,939,559</u>	<u>913,523,136</u>
Current assets			
Equity instruments at fair value through profit or loss ("equity instruments at FVTPL")		66,433,433	45,350,571
Trade and other receivables	11	833,517	778,692
Tax recoverable		8,763	767
Cash and bank balances		132,365,439	140,603,978
		<u>199,641,152</u>	<u>186,734,008</u>
Current liabilities			
Other payables		4,359,272	2,989,713
Bank borrowings - secured	12	-	16,295,139
Tax payable		627,423	505,768
		<u>4,986,695</u>	<u>19,790,620</u>
Net current assets		<u>194,654,457</u>	<u>166,943,388</u>
Total assets less current liabilities		1,009,594,016	1,080,466,524
Non-current liabilities			
Other payables		750,904	1,882,630
Deferred tax liabilities		1,085,465	1,046,414
		<u>1,836,369</u>	<u>2,929,044</u>
NET ASSETS		<u>1,007,757,647</u>	<u>1,077,537,480</u>
EQUITY			
Capital and reserves			
Share capital	13	40,000,000	40,000,000
Reserves		967,757,647	1,037,537,480
TOTAL EQUITY		<u>1,007,757,647</u>	<u>1,077,537,480</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Share capital HK\$	Capital reserve* HK\$	Fair value reserve* HK\$	Retained profits* HK\$	Total HK\$
At 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 fair value through other comprehensive income ("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 and 1 April 2024	40,000,000	251,046	(11,220,713)	1,048,507,147	1,077,537,480
Loss for the year	-	-	-	(74,715,680)	(74,715,680)
Other comprehensive income:					
Changes in fair value of equity instruments at FVTOCI	-	-	10,395,974	-	10,395,974
Total other comprehensive income	-	-	10,395,974	-	10,395,974
Total comprehensive income	-	-	10,395,974	(74,715,680)	(64,319,706)
Dividends approved, net of unclaimed dividend forfeited, in respect of the previous year (Note 14)	-	-	-	(4,660,127)	(4,660,127)
Dividends declared in respect of the current year (Note 14)	-	-	-	(800,000)	(800,000)
At 31 March 2025	<u>40,000,000</u>	<u>251,046</u>	<u>(824,739)</u>	<u>968,331,340</u>	<u>1,007,757,647</u>

* These reserve accounts comprise the consolidated reserves of approximately HK\$967,757,647 in the consolidated statement of financial position as at 31 March 2025 (2024: HK\$1,037,537,480).

Notes

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS Accounting Standards”) 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 consolidated 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 “Listing Rules”).

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 2025 and 2024 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 2024 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 2025 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 2025 and 2024. 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 HKFRS ACCOUNTING STANDARDS

2.1 Adoption of amendments to HKFRS Accounting Standards

HKICPA has issued a number of amended HKFRS Accounting Standards that are first effective and relevant to the Group for the current accounting period:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised) (HK Int 5 (Revised))”)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Suppliers Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The application of the amendments to HKFRS Accounting Standards 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 HKFRS ACCOUNTING STANDARDS - Continued

2.1 Adoption of amendments to HKFRS Accounting Standards - Continued

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised)

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (Revised) was revised October 2020 as a consequence of the amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (Revised) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 1 April 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 1 Non-current Liabilities with Covenants

The amendments further clarify that among covenants of a liability arising from a loan agreement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the amendments issued in December 2022 require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has no non-current liabilities with covenants and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS - Continued

2.2 New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amended HKFRS Accounting Standards, 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 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ²
Annual Improvements to HKFRS Accounting Standards - Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of these new, amendments and improvements to HKFRS Accounting Standards will have no material impact on the Group's accounting policies, results and financial position, except for HKFRS 18. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards will be effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a material effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation or disaggregation and labelling of information, and disclosure of management defined performance measures.

The Group has not early applied any amended HKFRS Accounting Standards 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	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Segment revenue								
- external customer	6,184,518	5,410,315	15,262,070	14,642,587	-	-	21,446,588	20,052,902
Segment results before net gains or losses	4,649,852	4,021,599	10,882,777	10,456,260	(34,510)	(31,210)	15,498,119	14,446,649
Fair value gain/(loss) on equity instruments at FVTPL	18,497,208	(15,085,055)	-	-	-	-	18,497,208	(15,085,055)
Fair value loss on investment properties	-	-	(108,906,023)	(48,900,000)	-	-	(108,906,023)	(48,900,000)
Fair value loss on properties held for future development	-	-	-	-	-	(130,000)	-	(130,000)
Segment results	23,147,060	(11,063,456)	(98,023,246)	(38,443,740)	(34,510)	(161,210)	(74,910,696)	(49,668,406)
Bank interest income							3,795,589	3,594,790
Finance costs							(201,367)	(673,375)
Unallocated corporate expenses							(1,760,110)	(1,571,101)
Loss before income tax							(73,076,584)	(48,318,092)

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:

	2025 HK\$	2024 HK\$
Customer A	5,514,432	5,408,019
Customer B	3,228,000	3,018,000

For the years ended 31 March 2025 and 2024, 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	
	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$
Assets								
Segment assets	138,556,293	101,369,099	758,658,482	867,718,176	5,550,000	5,550,000	902,764,775	974,637,275
Tax recoverable	-	-	8,763	-	-	767	8,763	767
	<u>138,556,293</u>	<u>101,369,099</u>	<u>758,667,245</u>	<u>867,718,176</u>	<u>5,550,000</u>	<u>5,550,767</u>	<u>902,773,538</u>	<u>974,638,042</u>
Unallocated corporate assets							111,807,173	125,619,102
Total assets							<u>1,014,580,711</u>	<u>1,100,257,144</u>
Liabilities								
Segment liabilities	306,320	273,364	3,390,526	19,419,501	109,208	107,208	3,806,054	19,800,073
Tax payable and deferred tax liabilities	-	-	1,712,888	1,552,182	-	-	1,712,888	1,552,182
	<u>306,320</u>	<u>273,364</u>	<u>5,103,414</u>	<u>20,971,683</u>	<u>109,208</u>	<u>107,208</u>	<u>5,518,942</u>	<u>21,352,255</u>
Unallocated corporate liabilities							1,304,122	1,367,409
Total liabilities							<u>6,823,064</u>	<u>22,719,664</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	
	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$
Capital expenditure	-	-	6,450	3,013,780	-	130,000	6,450	3,143,780
Loss on disposal of property, plant and equipment	-	-	-	1,501	-	-	-	1,501
Depreciation	1,160	1,193	78,818	79,803	-	-	79,978	80,996
Reversal of provision for expected credit losses on trade and other receivables	-	-	10,000	12,000	-	-	10,000	12,000
Fair value gain/(loss) on equity instruments at FVTOCI	10,395,974	(10,241,447)	-	-	-	-	10,395,974	(10,241,447)
Gains on disposal of equity instruments at FVTOCI transferred from fair value reserve to retained profits	-	234,588	-	-	-	-	-	234,588

4. REVENUE

	2025 HK\$	2024 HK\$
Gross rental income from investment properties	15,262,070	14,642,587
Dividend income from listed investments		
- Equity instruments at FVTPL	3,175,633	2,660,095
- Equity instruments at FVTOCI		
- related to investments derecognised during the year	-	22,050
- related to investments held at the end of the reporting period	3,008,885	2,728,170
	<u>21,446,588</u>	<u>20,052,902</u>

5. OTHER REVENUE AND GAINS/(LOSSES), NET

	2025 HK\$	2024 HK\$
Bank interest income	3,795,589	3,594,790
Fair value gain/(loss) on equity instruments at FVTPL	18,497,208	(15,085,055)
Fair value loss on properties held for future development	-	(130,000)
Sundry income	-	24,000
	<u>22,292,797</u>	<u>(11,596,265)</u>

6. LOSS BEFORE INCOME TAX

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

	2025 HK\$	2024 HK\$
Auditors' remuneration		
- audit services	477,200	451,000
- non-audit services	121,000	118,800
Depreciation	79,978	80,996
Direct operating expenses in respect of investment properties		
- that generated rental income	760,278	572,029
- that did not generate rental income	86,181	120,870
Interest on bank borrowings	201,367	673,375
Loss on disposal of property, plant and equipment	-	1,501
Reversal of provision for expected credit losses on trade and other receivables	(10,000)	(12,000)

7. INCOME TAX EXPENSE

	2025 HK\$	2024 HK\$
Current income tax - Hong Kong Profits tax	1,610,000	1,437,000
Over provision in prior years	(9,955)	(11,356)
	<u>1,600,045</u>	<u>1,425,644</u>
Deferred income tax	<u>39,051</u>	<u>4,489</u>
Income tax expense	<u>1,639,096</u>	<u>1,430,133</u>

Hong Kong Profits tax is calculated at the rate of 16.5% (2024: 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% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 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 Company of 40,000,000 (2024: 40,000,000) during the year. There were no dilutive potential ordinary share outstanding for both years.

9. INVESTMENT PROPERTIES

	2025 HK\$	2024 HK\$
Fair value		
At the beginning of year (level 3 recurring fair value)	856,700,000	902,600,000
Additions	6,023	3,000,000
Decrease in fair value recognised in profit or loss	<u>(108,906,023)</u>	<u>(48,900,000)</u>
At the end of year (level 3 recurring fair value)	<u>747,800,000</u>	<u>856,700,000</u>

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

	2025 HK\$	2024 HK\$
Short-term lease	12,500,000	16,500,000
Medium-term leases	212,300,000	230,800,000
Long-term leases	<u>523,000,000</u>	<u>609,400,000</u>
	<u>747,800,000</u>	<u>856,700,000</u>

Lease payments may be varied periodically to reflect market rentals.

The investment properties were revalued on 31 March 2025 and 31 March 2024 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\$450,000,000 (2024: HK\$522,000,000) as at 31 March 2025 represents the investment properties under redevelopment in Hong Kong.

At 31 March 2025, no investment properties (2024: HK\$61,300,000) have been pledged to a bank to secure general bank facilities of the Group.

10. EQUITY INSTRUMENTS AT FVTOCI

	2025 HK\$	2024 HK\$
Listed shares in Hong Kong, at fair value and classified as non-current assets		
At the beginning of the year	49,977,331	62,367,257
Disposals	-	(2,148,479)
Increase/(decrease) in fair value	<u>10,395,974</u>	<u>(10,241,447)</u>
At the end of the year	<u>60,373,305</u>	<u>49,977,331</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	2025 HK\$'000	2024 HK\$'000
388	Hong Kong Exchanges and Clearing Limited	Financials	16,043	10,599
2	CLP Holdings Limited	Utilities	10,461	10,288
1398	Industrial and Commercial Bank of China Limited - H Shares	Financials	6,655	4,733
386	China Petroleum & Chemical Corporation - H Shares	Energy	4,715	5,106
1	CK Hutchison Holdings Limited	Conglomerates	4,383	N/A
1113	CK Asset Holdings Limited	Properties & Construction	<u>N/A</u>	<u>3,870</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 year.

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.

There were no disposal of equity instruments at FVTOCI during the year ended 31 March 2025. For the year ended 31 March 2024, the Group disposed certain equity securities at approximately HK\$2,148,479, resulting in a transfer of accumulated gain on the equity instruments at FVTOCI of approximately HK\$234,588 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

	2025 HK\$	2024 HK\$
Rental receivables (note)		
- Within 30 days	47,500	100,485
- Within 31 days to 60 days	22,500	47,500
- Within 61 days to 90 days	12,500	-
	82,500	147,985
Other receivables	468,934	343,424
Deposits and prepayments	314,583	329,783
	866,017	821,192
Less: Provision for expected credit losses	(32,500)	(42,500)
Total trade and other receivables, net	833,517	778,692

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 2025 and 2024, 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:

	2025 HK\$	2024 HK\$
Balance at beginning of the year	42,500	54,500
Reversal of provision	(10,000)	(12,000)
Balance at end of the year	32,500	42,500

12. BANK BORROWINGS - SECURED

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

	2025 HK\$	2024 HK\$
Current liabilities		
- Within one year	-	16,295,139

Notes:

- (a) All of the Group's secured bank loans of HK\$16,295,139 as at 31 March 2024, were fully repaid in June and August 2024 which were repaid according to the scheduled repayment dates as set out in the loan agreements. As such, no investment properties were pledged and no corporate guarantee was given by the Company in favour of the bank for securing the loans as at 31 March 2025.
- (b) As at 31 March 2024, the Group's bank borrowings were secured by (i) investment properties of the Group amounting to approximately HK\$61,300,000 and (ii) a corporate guarantee amounting to HK\$32,900,000 given by the Company in favour of the bank for securing the aforesaid loans.
- (c) During the year, the Group's secured bank loans bore interest at 1.8% per annum below Hong Kong Dollars Best Lending Rate ("BLR") of a commercial bank in Hong Kong (2024: 1.8% below BLR). During the year, the finance costs on bank borrowings amounted to HK\$201,367 (2024: HK\$673,375).

13. SHARE CAPITAL

	HK\$
Issued and fully paid:	
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	
- 40,000,000 ordinary shares	40,000,000

14. DIVIDENDS

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

	2025 HK\$	2024 HK\$
Interim dividend declared and paid of HK\$0.02 (2024: HK\$0.02) per ordinary share	800,000	800,000
Final dividend proposed after the end of the reporting period of HK\$0.12 (2024: 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:

	2025 HK\$	2024 HK\$
Final dividend for the year ended 31 March 2024 of HK\$0.12 (2023: HK\$0.12) per ordinary share	4,800,000	4,800,000
Unclaimed dividend forfeited*	<u>(139,873)</u>	<u>(84,902)</u>
	<u>4,660,127</u>	<u>4,715,098</u>

- * Pursuant to Article 147 of the New Articles of Association of the company, which was adopted on 9 September 2024, on 25 March 2025 the board of directors resolved that the dividends for the financial years 2017/18 to 2018/19 amounting to HK\$139,873 payable on or before 9 January 2019 remained unclaimed on 25 March 2025 be forfeited and recognised in the equity.

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.

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:

	2025 HK\$	2024 HK\$
Contracted but not provided for:		
Capital expenditure for the redevelopment of the investment properties	<u>12,050,000</u>	<u>12,050,000</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 2025, the Company paid an interim dividend of 2 HK cents per share (2024: 2 HK cents), totaling HK\$800,000 (2023: HK\$800,000).

The board will propose in the Annual General Meeting to be held on 3 September 2025 the payment of a final dividend of 12 HK cents per share (2024: 12 HK cents per share) in respect of the year ended 31 March 2025, absorbing a total amount of HK\$4,800,000 (2024: HK\$4,800,000). It is proposed that the dividend cheque will be dispatched on or about 29 September 2025 to the shareholders whose names are on the Register of Members on 12 September 2025.

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, 29 August 2025 to Wednesday, 3 September 2025, 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, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 August 2025.

The register of members of the Company will also be closed from Thursday, 11 September 2025 to Friday, 12 September 2025, 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 2025. 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, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 10 September 2025.

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 2025 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 or treasury shares 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\$1,394,000 (or 7.0%), to approximately HK\$21,447,000, as compared to the preceding year. The Group recorded a loss of approximately HK\$74,716,000, representing an increase in loss of approximately HK\$24,967,000 (or 50.2%), as compared to the preceding year. The increase in loss was mainly due to an increase in fair value loss on investment properties.

Property leasing

The rental income of the Group for the year ended 31 March 2025 was approximately HK\$15,262,000, representing an increase of approximately HK\$619,000 (or 4.2%), as compared to the preceding year. The increase was mainly due to an increase in occupancy rate.

Excluding a recurring valuation gain or loss of investment properties, the leasing segment recorded a profit of approximately HK\$10,883,000 for the year ended 31 March 2025, representing an increase of approximately HK\$427,000 (or 4.1%), as compared to the preceding year.

A persistent high interest rate, an increase in northbound consumption trend, tightening policy implemented by the banks and other uncertain external factors have brought challenges to economic recovery and Hong Kong property market sentiment remained cautious during the year ended 31 March 2025. Even though the HIBOR has been reduced from approximately 4% to less than 1% since May 2025, the property market sentiment remains weak due to an over-supply of property and a lack of confidence in the property market. Also, the economic recovery has been weaker-than-expected due to a trade war and tariff issues initiated by the U.S. government which affect Hong Kong's exports. Given the above-mentioned unfavourable factors and uncertainties, the redevelopment project at No. 31 Fuk Tsun Street ("FTS Project") will be put on hold to minimize negative impacts on shareholders' interests, but the Group will continue to take due care to assess the cost and benefit of the FTS Project and review the market changes from time to time. The Group will relaunch and speed up 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\$108,906,000 (2024: HK\$48,900,000) during the year under review. As at 31 March 2025, the Group's investment properties portfolio amounted to HK\$747,800,000 (2024: HK\$856,700,000).

Property development

For the year ended 31 March 2025, the Group recorded no fair value gain or loss (2024: fair value loss of HK\$130,000) 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 2025 increased by approximately HK\$774,000 (equivalent to approximately 14.3%) to HK\$6,185,000, as compared to the preceding year.

During the year under review, the Group recorded a fair value gain on equity instruments at FVTPL of approximately HK\$18,497,000 (2024: fair value loss of HK\$15,085,000) and a fair value gain on equity instruments at FVTOCI of HK\$10,396,000 (2024: fair value loss of HK\$10,241,000) which were recorded in the consolidated statement of profit or loss and other comprehensive income respectively. As at 31 March 2025, the Group's listed share investment portfolios had an aggregate fair value of approximately HK\$126,807,000 (2024: HK\$95,328,000).

Share investments and dividend income - Continued

Details of the top five of the Group's share investment portfolios as at 31 March 2025 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 31.3.2025 (HK'000)	Proportional to total assets of the Group	Fair value gain/(loss) during the year (HK\$'000)	Dividend income (HK\$'000)
1. 388	Hong Kong Exchanges and Clearing Limited	Financials	9,602	16,043	1.6%	5,444	431
2. 2	CLP Holdings Limited	Utilities	9,023	10,461	1.0%	173	520
3. 1398	Industrial & Commercial Bank of China Limited ("ICBC") - H Shares	Financials	6,881	6,655	0.7%	1,922	531
4. 386	China Petroleum & Chemical Corporation - H shares	Energy	7,030	4,715	0.5%	(391)	392
5. 1	CK Hutchison Holdings Limited	Conglomerates	9,479	4,383	0.4%	596	247
	Other securities (note(1))		26,472	18,116	1.8%	2,652	888
Total			68,487	60,373	6.0%	10,396	3,009

Note (1): Other securities included ten stocks listed on the Hong Kong Stock Exchange, five 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 31.3.2025 (HK'000)	Proportional to total assets of the Group	Fair value gain during the year (HK\$'000)	Dividend income (HK\$'000)
1. 9988	Alibaba Group Holdings Ltd - SW	Information Technology	20,312	12,160	1.2%	5,486	153
2. 2628	China Life Insurance Co. Ltd. - H Shares	Financials	14,962	12,000	1.2%	4,488	496
3. 3988	Bank of China - H Shares	Financials	6,556	8,292	0.8%	2,581	620
4. 1398	ICBC - H Shares	Financials	8,388	7,202	0.7%	2,080	574
5. 914	Anhui Conch Cement Co. Ltd. - H shares	Energy	11,558	5,060	0.5%	1,316	218
	Other securities (note (1))		43,762	21,719	2.1%	2,546	1,115
Total			105,538	66,433	6.5%	18,497	3,176

Note (1): Other securities included 22 stocks listed on the Hong Kong Stock Exchange, eight 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 investment trusts (REIT).

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

Liquidity and financial resources

During the year under review, all of the Group's bank borrowings of approximately HK\$16,295,000 as at 31 March 2024, which were denominated in Hong Kong dollars and at floating interest rates, were fully repaid in accordance with the repayment schedules as set out in the respective loan agreements. As a result, the Group's gearing ratio, which was taken as bank borrowings to total shareholders' equity, dropped from 1.5% to 0 compared to the preceding year.

Cash held by the Group as at 31 March 2025 amounted to approximately HK\$132,365,000 (2024: HK\$140,604,000). 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 and project development expenditure. The Group will continue to closely monitor the market changes especially in interest rate trends, policies implemented by the Hong Kong Monetary Authority and the Hong Kong Government, 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 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 have any financial instruments for hedging purposes during the years ended 31 March 2025 and 2024.

Assets pledged

As at 31 March 2025, no assets of the Group were pledged to bank to secure general banking facilities granted to the Group. As at 31 March 2024, the Group's investment properties with an aggregate carrying value of HK\$61,300,000 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 2025 and 2024.

PROSPECTS

Looking ahead, the Company's business will face more challenges due to uncertain geopolitical environment and trade wars among different countries. Also, northbound consumption has become a norm that adversely affects the amusement, retail and catering businesses in Hong Kong. In addition, due to an excessive supply of residential flats in Hong Kong and economic uncertainty, the Hong Kong property market remains weak. Even though a HIBOR has dropped from approximately 4% to less than 1% since May 2025, bankers remain more conservative in their lending policies to property developers under unfavourable economic environment. In the short to medium term, the property market is expected to remain under pressure and the securities market to remain volatile. We will keep monitoring the market sentiment, interest rate trends, lending attitudes of banks, 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 banks to get the redevelopment projects back on track.

By Order of the Board

Ng Tai Wai
Chairman

Hong Kong, 24 June 2025

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.