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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 2015

The board of directors of Winfair Investment Company Limited would like to announce the audited consolidated results of the company and its subsidiaries (the “group”) for the year ended 31 March 2015. The annual results of the group have been reviewed by the company’s audit committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2015

	Notes	2015 HK\$	2014 HK\$
Revenue	3	29,557,456	22,276,396
Other revenue	4	438,900	526,361
Other net income/(loss)	4	4,634,877	(2,445,292)
Fair value gain on investment properties		48,110,000	17,882,160
Administrative and general expenses		(6,809,359)	(6,405,063)
Finance cost		<u>(649,760)</u>	<u>(679,161)</u>
Profit before taxation		75,282,114	31,155,401
Taxation	5	<u>(2,140,621)</u>	<u>(2,009,408)</u>
Profit after taxation attributable to the equity shareholders of the company		<u>73,141,493</u>	<u>29,145,993</u>
Earnings per share (Basic and diluted)	6	<u>HK\$1.83</u>	<u>HK\$0.73</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2015

	2015 HK\$	2014 HK\$
Profit for the year	<u>73,141,493</u>	<u>29,145,993</u>
Other comprehensive income for the year		
<i>Items that will not be classified subsequently to profit or loss</i>		
Impairment losses on available-for-sale financial assets recognised in profit or loss	--	1,300,000
<i>Items that may be reclassified subsequently to profit or loss</i>		
Increase/(decrease) in fair value of available-for-sale financial assets	10,000,127	(8,313,112)
Release of fair value reserve upon disposal of available-for-sale financial assets	<u>(1,218,271)</u>	<u>(120,915)</u>
	<u>8,781,856</u>	<u>(7,134,027)</u>
Total comprehensive income, net of tax, for the year attributable to equity shareholders of the company	<u><u>81,923,349</u></u>	<u><u>22,011,966</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

		2015		2014	
ASSETS	Notes	HK\$	HK\$	HK\$	HK\$
Non-current assets					
Property, plant and equipment			1,936,310		2,015,829
Investment properties			579,710,000		531,600,000
Properties held for or under development			12,300,000		12,300,000
Available-for-sale financial assets – equity shares listed in Hong Kong			97,852,337		87,334,899
			691,798,647		633,250,728
Current assets					
Trading securities – equity shares listed in Hong Kong			48,070,603		54,848,025
Trade and other receivables	7		7,638,634		1,951,849
Tax recoverable			1,072		--
Cash and bank balances			53,214,835		108,925,144
			108,925,144		35,380,884
					92,180,758
Current liabilities					
Trade and other payables	8		5,066,688		5,033,439
Bank borrowings – secured	9		28,243,600		30,173,200
Tax payable			637,537		704,960
Provision for long service payments			943,000		(34,890,825)
			(34,890,825)		928,000
					(36,839,599)
Net current assets			74,034,319		55,341,159
Total assets less current liabilities			765,832,966		688,591,887
Non-current liabilities					
Provision for long service payments			113,000		133,000
Deferred taxation			774,546		(887,546)
			(887,546)		716,986
					(849,986)
NET ASSETS			764,945,420		687,741,901
CAPITAL AND RESERVES					
Share capital	10		40,000,000		40,000,000
Reserves			724,945,420		647,741,901
			724,945,420		647,741,901
					687,741,901

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	<u>Attributable to equity shareholders of the company</u>				Total HK\$
	Share capital HK\$	Capital reserve HK\$	Fair value reserve HK\$	Retained profits HK\$	
At 1 April 2013	40,000,000	251,046	36,663,477	596,372,332	673,286,855
Profit for the year	--	--	--	29,145,993	29,145,993
Other comprehensive income for the year					
<i>Items that will not be classified subsequently to profit or loss</i>					
- Impairment losses on available-for-sale financial assets	--	--	1,300,000	--	1,300,000
<i>Items that may be reclassified subsequently to profit or loss</i>					
- Decrease in fair value of available-for-sale financial assets	--	--	(8,313,112)	--	(8,313,112)
- Release of fair value reserve upon disposal of available-for-sale financial assets	--	--	(120,915)	--	(120,915)
Total comprehensive income for the year	--	--	(7,134,027)	29,145,993	22,011,966
Dividends paid					
- 2012/13 final dividend (HK\$0.10 per share)	--	--	--	(4,000,000)	(4,000,000)
- 2012/13 special dividend (HK\$0.07 per share)	--	--	--	(2,800,000)	(2,800,000)
- 2013/14 interim dividend (HK\$0.02 per share)	--	--	--	(800,000)	(800,000)
Unclaimed dividend forfeited	--	--	--	43,080	43,080
At 31 March 2014 and 1 April 2014	40,000,000	251,046	29,529,450	617,961,405	687,741,901
Profit for the year	--	--	--	73,141,493	73,141,493
Other comprehensive income for the year					
<i>Items that may be reclassified subsequently to profit or loss</i>					
- Increase in fair value of available-for-sale financial assets	--	--	10,000,127	--	10,000,127
- Release of fair value reserve upon disposal of available-for-sale financial assets	--	--	(1,218,271)	--	(1,218,271)
Total comprehensive income for the year	--	--	8,781,856	73,141,493	81,923,349
Dividends paid					
- 2013/14 final dividend (HK\$0.10 per share)	--	--	--	(4,000,000)	(4,000,000)
- 2014/15 interim dividend (HK\$0.02 per share)	--	--	--	(800,000)	(800,000)
Unclaimed dividend forfeited	--	--	--	80,170	80,170
At 31 March 2015	<u>40,000,000</u>	<u>251,046</u>	<u>38,311,306</u>	<u>686,383,068</u>	<u>764,945,420</u>

Notes

1. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the group has applied, for the first time the followings amendments to accounting standard issued by the HKICPA which are effective for the group's and the company's financial year beginning on 1 April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment Entities
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedging Accounting
HK(IFRIC) – Int 21	Levies

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

Standards, amendments and interpretations not effective

The HKICPA has issued the following new and revised standards, interpretations and amendments which are not effective for the group's and the company's financial statements for the year ended 31 March 2015:

		Effective for accounting periods beginning on or after
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor And its Associate or Joint Venture	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKAS 1 (Amendments)	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants	1 January 2016
HKAS 19 (2011) (Amendments)	Defined Benefits Plans – Employee Contributions	1 July 2014
HKAS 27 (2011) (Amendments)	Equity Method in Separate Financial Statements	1 January 2016
Annual improvements to HKFRSs 2010-2012 Cycle		1 July 2014
Annual improvements to HKFRSs 2011-2013 Cycle		1 July 2014
Annual improvements to HKFRSs 2012-2014 Cycle		1 January 2016

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

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

2. SEGMENT INFORMATION

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

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

The principal activities of each segment are as follows:

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

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

	Securities investments		Property leasing		Property development		Consolidated total	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
STATEMENT OF PROFIT OR LOSS								
Segment revenue - from external customer	<u>11,681,111</u>	<u>5,826,573</u>	<u>17,876,345</u>	<u>16,449,823</u>	--	--	<u>29,557,456</u>	<u>22,276,396</u>
Segment results	13,322,168	1,869,934	14,160,167	13,172,254	9,521	83,761	27,491,856	15,125,949
Gain on disposal of available-for-sale financial assets	1,326,023	256,292	--	--	--	--	1,326,023	256,292
Fair value gain on investment properties	--	--	48,110,000	17,882,160	--	--	48,110,000	17,882,160
Fair value (loss)/gain on properties held for or under development	--	--	--	--	(17,250)	700,000	(17,250)	700,000
Impairment losses on available-for-sale-financial assets	--	(1,300,000)	--	--	--	--	--	(1,300,000)
Results before interest, tax and corporate expenses	<u>14,648,191</u>	<u>826,226</u>	<u>62,270,167</u>	<u>31,054,414</u>	<u>(7,729)</u>	<u>783,761</u>	76,910,629	32,664,401
Gain on acquisition							--	320,000
Acquisition-related cost							--	(470,418)
Interest income							197,400	412,361
Interest expense							(649,760)	(679,161)
Unallocated corporate expenses							<u>(1,176,155)</u>	<u>(1,091,782)</u>
Profit before taxation							75,282,114	31,155,401
Taxation							<u>(2,140,621)</u>	<u>(2,009,408)</u>
Profit after taxation							<u>73,141,493</u>	<u>29,145,993</u>

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

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

The group's customer base is diversified and includes one tenant of leasing properties with whom transactions have exceeded 10% of the group's revenues amounted to approximately HK\$3.9 million (2014: HK\$3.8 million).

2. SEGMENT INFORMATION (Cont'd)

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

	Securities investments		Property leasing		Property development		Consolidated total	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
STATEMENT OF FINANCIAL POSITION								
Assets								
Segment assets	153,696,257	144,207,125	584,607,434	536,194,741	12,340,605	12,357,859	750,644,296	692,759,725
Tax recoverable	--	--	--	--	1,072	--	1,072	--
	<u>153,696,257</u>	<u>144,207,125</u>	<u>584,607,434</u>	<u>536,194,741</u>	<u>12,341,677</u>	<u>12,357,859</u>	750,645,368	692,759,725
Unallocated corporate assets							50,078,423	32,671,761
Consolidated total assets							<u>800,723,791</u>	<u>725,431,486</u>
Liabilities								
Segment liabilities	752,372	700,380	32,438,543	34,364,390	103,200	176,500	33,294,115	35,241,270
Tax payable and deferred taxation	--	--	1,409,875	1,418,385	2,208	3,561	1,412,083	1,421,946
	<u>752,372</u>	<u>700,380</u>	<u>33,848,418</u>	<u>35,782,775</u>	<u>105,408</u>	<u>180,061</u>	34,706,198	36,663,216
Unallocated corporate liabilities							1,072,173	1,026,369
Consolidated total liabilities							<u>35,778,371</u>	<u>37,689,585</u>
OTHER INFORMATION								
Capital expenditure	--	--	4,415	32,817,840	17,250	--	21,665	32,817,840
Acquisition of subsidiary (consideration)	--	--	--	45,380,000	--	--	--	45,380,000
Purchase of available-for-sale financial assets	3,957,311	975,224	--	--	--	--	3,957,311	975,224
Gain on acquisition	--	--	--	320,000	--	--	--	320,000
Loss on disposal of property, plant and equipment	--	--	(2,143)	--	--	--	(2,143)	--
Depreciation	1,646	1,773	80,145	81,033	--	--	81,791	82,806
Fair value gain/(loss) on trading securities	3,326,104	(2,421,584)	--	--	--	--	3,326,104	(2,421,584)
Fair value gain/(loss) on available-for financial assets	<u>10,000,127</u>	<u>(8,313,112)</u>	--	--	--	--	10,000,127	(8,313,112)

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

3. REVENUE

	2015 HK\$	2014 HK\$
Gross rental income from investment properties	17,876,345	16,449,823
Dividend income from share investments listed in Hong Kong		
- trading securities	2,128,023	2,031,448
- available-for-sale financial assets	4,905,572	3,391,601
	7,033,595	5,423,049
Net result of trading in securities	4,647,516	403,524
	<u>29,557,456</u>	<u>22,276,396</u>

4. OTHER REVENUE AND OTHER NET INCOME/(LOSS)

	2015	2014
	HK\$	HK\$
Other revenue		
Bank interest income	197,400	412,361
Sundry income	241,500	114,000
	<u>438,900</u>	<u>526,361</u>
Other net income/(loss)		
Gain on disposal of available-for-sale financial assets	1,326,023	256,292
Gain on acquisition	--	320,000
Fair value gain/(loss) on trading securities	3,326,104	(2,421,584)
Fair value (loss)/gain on properties held for or under development	(17,250)	700,000
Impairment losses on available-for-sale financial assets	--	(1,300,000)
	<u>4,634,877</u>	<u>(2,445,292)</u>

5. TAXATION

	2015	2014
	HK\$	HK\$
Current income tax		
Provision for Hong Kong Profits Tax for current year	2,141,500	1,984,700
Over-provision for prior years	(58,439)	(47,530)
	<u>2,083,061</u>	<u>1,937,170</u>
Deferred tax		
Origination and reversal of temporary differences	57,560	72,238
	<u>2,140,621</u>	<u>2,009,408</u>

Provision for Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit after tax of HK\$73,141,493 (2014: HK\$29,145,993) and on 40,000,000 (2014: 40,000,000) ordinary shares in issue during the year.

Diluted earnings per share equals to the basic earnings per share as the company had no dilutive potential financial instrument in issue during the year (2014: Nil).

7. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK\$	HK\$
Rental receivables		
- Within 30 days	243,462	213,981
- Within 31 days to 60 days	111,600	176,400
- Within 61 days to 90 days	111,600	155,400
- Within 91 days to 180 days	<u>1,500</u>	<u>5,657</u>
	468,162	551,438
Other receivables	<u>6,834,166</u>	<u>1,040,405</u>
Rental and receivables, unimpaired	7,302,328	1,591,843
Deposits and prepayments	<u>336,306</u>	<u>360,006</u>
	<u>7,638,634</u>	<u>1,951,849</u>

Normally, monthly rentals are payable in advance by tenants in accordance with the leases. Except for the rental receivable amounting to HK\$1,500 (2014: HK\$5,657), the rental receivables and other receivables of the group and the company were current and were aged less than 90 days. The ageing analysis is based on first date on each month in accordance with the leases. The group does not hold any collateral over these balances.

8. TRADE AND OTHER PAYABLES

	2015	2014
	HK\$	HK\$
Rental deposits received	3,066,140	2,984,276
Receipts in advance	145,893	212,590
Unclaimed dividends	303,586	338,865
Accrued expenses	<u>1,551,069</u>	<u>1,497,708</u>
	<u>5,066,688</u>	<u>5,033,439</u>

9. BANK BORROWINGS, SECURED

The bank loans are repayable as follows:

	2015 HK\$	2014 HK\$
Current liabilities		
Within one year	1,929,600	1,929,600
After one year but not exceeding two years	1,929,600	1,929,600
After two years but not exceeding five years	14,129,400	5,788,800
After five years	<u>10,255,000</u>	<u>20,525,200</u>
	<u>28,243,600</u>	<u>30,173,200</u>

The bank loans bear interest at 2% above Hong Kong Interbank Offered Rate, or 1% per annum below Hong Kong Dollars Best Lending Rate of a commercial bank in Hong Kong. During the year, interest on bank borrowings was HK\$649,760 (2014: HK\$679,161).

The group needs to fulfill certain covenants on loan-to-security value ratio. If the group were to breach the covenants, the drawn down facilities would become payable on demand and the rent of the pledged properties collected by the bank. The group regularly monitors its compliance with these covenants. As at 31 March 2015, none of the covenants was breached.

The company has executed a corporate guarantee amounting to HK\$82,900,000 (2014: HK\$82,900,000) in favour of a bank for securing the loans of the group. The bank loans are renewable annually and have been renewed subsequently after the year end.

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

10. SHARE CAPITAL

	2015		2014	
	No. of shares	Amount HK\$	No. of shares	Amount HK\$
Issued and fully paid				
Ordinary shares	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>

On 3 March 2014, the prevailing Hong Kong Companies Ordinance Cap 622 came into effect. The Cap 622 abolished the concepts of nominal (par) value and the company ceased to have any authorised capital.

11. DIVIDENDS

	2015	2014
	HK\$	HK\$
Dividends attributable to the year -		
Interim dividend at HK\$0.02 (2014: HK\$0.02) per share paid during the year	800,000	800,000
Final dividend at HK\$0.12 (2014: HK\$0.10) per share proposed after the reporting period	<u>4,800,000</u>	<u>4,000,000</u>
	5,600,000	4,800,000
Unclaimed dividend forfeited (Note (a))	<u>(80,170)</u>	<u>(43,080)</u>
	<u><u>5,519,830</u></u>	<u><u>4,756,920</u></u>

Note (a) Pursuant to Article 145 of the Articles of Association of the company, on 31 March 2015 the board of directors resolved that the dividends for the financial years 2007/08 to 2008/09 amounting to HK\$80,170 payable on or before 16 January 2009 remained unclaimed on 31 March 2015 be forfeited and recognised in the equity.

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

DIVIDENDS

In January 2015, the group paid an interim dividend of HK\$0.02 (2014: HK\$0.02) per share, totaling HK\$800,000 (2014: HK\$800,000).

The board will propose in the Annual General Meeting to be held on 4 September 2015 the payment of a final dividend of HK\$0.12 (2014: HK\$0.10) per share in respect of the year ended 31 March 2015, absorbing a total amount of HK\$4,800,000 (2014: HK\$4,000,000). It is proposed that the dividend cheque will be dispatched on or about 23 September 2015 to the shareholders whose names are on the Register of Members on 11 September 2015.

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 Tuesday, 1 September 2015 to Friday, 4 September 2015, 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 Monday, 31 August 2015.

The register of members of the Company will also be closed from Thursday, 10 September 2015 to Friday, 11 September 2015, 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 2015. To qualify for the receipt of the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 9 September 2015.

CORPORATE GOVERNANCE PRACTICE

Save for the exceptions below, the Company has complied with all Code Provisions of the Code throughout the year ended 31 March 2015 and up to the latest practicable date prior to the publication of this annual report:

1. The Group has not designated any chief executive. Generally, prior approvals by all executive directors are required for all strategic decisions and are confirmed in formal board meeting or under written resolutions subsequently. The Group believes that the existing organisation and decision making procedures are adequate for the Group to cope with the ever-changing economic environment;
2. The non-executive and independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company;
3. Directors appointed to fill casual vacancy are not subject to election by shareholders at the first general meeting after their appointment. They will hold office until the next annual general meeting in which they are eligible for re-election;
4. The Group has not arranged insurance cover in respect of legal action against its directors as the Board considers that the Board adopts prudent management policy. The need for insurance policy will be reviewed from time to time; and
5. No formal letters of appointment for directors setting out the key terms and conditions of their appointments. The Group is in the process of finalising the formal appointment letter for directors (including independent non-executive directors, non-executive directors and executive directors) and will arrange for signing by the directors.

SHARE PURCHASE, SALE OR REDEMPTION

Neither the company nor any of its subsidiaries purchased, sold or redeemed any of the company's issued shares during the year under review.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Results

For the year under review, the revenue of the Group increased by HK\$7,281,060 (or 32.69%), to HK\$29,557,456. The Group's profit for the year increased by HK\$43,995,500 (or 150.9%), to HK\$73,141,493. The increase was mainly attributable to an increase in the Group's security investments segment of HK\$11,452,234 and an increase in revaluation gain on investment properties of HK\$30,227,840.

Property investment

The rental income and the result (excluding a revaluation gain of HK\$48,110,000) of the Group's property leasing business increased by HK\$1,426,522 (or 8.7%) and HK\$987,913 (or 7.5%) to HK\$17,876,345 and HK\$14,160,167 respectively, as compared to last year. Better rental contributions by properties acquired in January 2014, as expected, gave rise to such increase.

The Hong Kong government has continuously implemented measures, such as additional stamp duty in 2013 and stricter property mortgage loan requirements in 2015, in order to cool down the Hong Kong property market (especially in relation to luxurious residential units). However, recent statistics showed that there have been increases in property prices and transaction volume, especially for small or medium sized residential units, in the second half of 2014. The Group has benefited from such market sentiment and with the same property investment portfolio, the Group has recorded a revaluation gain on investment properties of HK\$48,110,000 (2014: HK\$17,882,160) as at the reporting date. As at 31 March 2015, the total value of the Group's investment properties reached HK\$579,710,000 (2014: HK\$531,600,000).

Property development

For the year ended 31 March 2015, the Group recorded a fair value loss of HK\$17,250 (2014: fair value gain of HK\$700,000) on property held for or under development. Further, the Group applied for a proposed change from agricultural land use to residential use with respect to Lot Nos. 42RP, 122RP and 129RP in D.D. 121, Ping Shan, Yuen Long and to date, the application is still in progress. The Group will continue to explore opportunities for re-developing its existing properties and potential opportunities for re-developing other properties in Hong Kong.

Share investments and dividend income

Dividend income increased by HK\$1,610,546 (or 29.7%) to HK\$7,033,595 as compared to last year. The increase was primarily due to the one-off special dividends received from certain listed shares investments.

During the past year, the Group reported recognised gains on disposal of trading securities and available-for-sale financial assets in the amounts of HK\$4,647,516 and HK\$1,326,023 respectively (2014: HK\$403,524 and HK\$256,292). Also, the Group reported an unrealised gain on trading securities of HK\$3,326,104 (2014: unrealised loss of HK\$2,421,584) in the statement of profit or loss, and an unrealised gain on available-for-sale financial assets of HK\$10,000,127 (2014: unrealised loss of HK\$8,313,112) in the statement of other comprehensive income. As at 31 March 2015, the Group's listed share investment portfolios had an aggregate fair value of HK\$145,922,940 (2014: HK\$142,182,924).

Liquidity and financial resources

As at 31 March 2015, the Group's total bank borrowings were HK\$28,243,600 (2014: HK\$30,173,200), of which an amount of HK\$17,988,600 (2014: HK\$9,648,000) is wholly repayable within 5 years and an amount of HK\$10,255,000 (2014: HK\$20,525,200) is wholly repayable after 5 years. The Group's gearing ratio, which was taken as bank borrowings to total shareholders' equity, decreased from 4.4% to 3.7%. The Group also had banking credit facilities of HK\$50,000,000 which have not been utilized. The Group's banking facilities are subject to review annually and will be due for negotiation in April 2016. During the past year, the Group diligently monitored its compliance with the lending bank's covenants on loan-to-security value ratio.

As at 31 March 2015, the Group held an amount of HK\$53,214,835 in cash (2014: HK\$35,380,884). The management of the Company continues to operate under a prudent financial policy and will implement all necessary measures to ensure that the Group maintains adequate cash and appropriate credit facilities to meet its future operating and project development expenditure, and loan repayment obligations. The management of the Company will execute additional credit facilities, if necessary, to strengthen the cash position of the Group for its operations and potential investments in the future. In the long run, the Group will continue to adopt an optimum financial structure for the best interests of its shareholders in light of changes in economic conditions.

Assets pledged

As at 31 March 2015, the investment properties with an aggregate carrying value of HK\$196,880,000 (2014: HK\$190,400,000) were pledged to a bank to secure general banking facilities granted to the Group.

PROSPECTS

On 27 February 2015, the Hong Kong Monetary Authority introduced new measures in relation to property mortgage loans for residential properties as a response to signs of overheating in the residential property market. In addition to these new measures, the civil disobedience movement in 2014 and anti-parallel import activities have also slowed down local economic activity in Hong Kong and contributed to downward pressure on rental income and market value of the properties held by the Group in the short run. Given the continuously lower interest rate, the immediate government response on China Hong Kong free visits and a widespread of potential property users, the management expects that property prices will become more stable, with potential gradual growth. As compared to prior years, the rental increment for new or existing tenancies will be moderate in the foreseeable future. The Group will continue to look for desirable property investment opportunities cautiously. The Group will keep its current business strategy plan in continuing to look for high yield property investments and at the same time to balance the risk and return for each investment.

In respect of the securities business of the Group, the Company believes that the security market will still be exposed to volatility and uncertainty. The management is looking forward to the much-anticipated launch of Shenzhen-Hong Kong Stock Connect soon, as it expects that the launch will encourage more investors to participate in the Hong Kong securities market. As a mature market with adequate transparency and monitoring, the Company believes the Hong Kong securities market will benefit from the launches of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in the long run. Barring the unforeseeable future, the Group will keep watch of prevailing market changes and make appropriate strategic adjustments to the Group's assets portfolio in order to realize the returns of the shareholders of the Company.

By Order of the Board

Ng See Wah
Chairman

Hong Kong, 30 June 2015

As at the date of this announcement, the executive directors of the Company are Mr. Ng See Wah, Mr. Ng Tai Wai and Mr. Ng Tai Yin Victor, the non-executive directors are Mr. So Kwok Leung and Mr. So Kwok Wai, Benjamin; the independent non-executive directors are Dr. Loke Yu alias Loke Hoi Lam, Dr. Ng Chi Yeung, Simon and Ms. Chan Suit Fei, Esther, and Ms. Ng Kwok Fun is alternate director to Mr. Ng See Wah.