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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 2010

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 2010. The annual results of the group have been reviewed by the company’s audit committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

	Notes	2010 HK\$	2009 HK\$
Turnover	2	<u>46,066,573</u>	<u>109,005,441</u>
Cost of sales			
Carrying amount of trading securities sold		(19,977,422)	(17,617,161)
Cost of property units		<u> --</u>	<u>(63,790,864)</u>
		<u>(19,977,422)</u>	<u>(81,408,025)</u>
Gross profit		26,089,151	27,597,416
Other revenue	3	326,133	669,416
Other net income/(loss)	3	11,807,368	(13,562,649)
Fair value gain/(loss) on investment properties		41,930,000	(2,970,000)
Administrative and general expenses		(5,837,966)	(6,645,589)
Finance cost		<u> --</u>	<u>(41,801)</u>
Profit before taxation		74,314,686	5,046,793
Taxation	4	<u>(7,577,037)</u>	<u>(1,248,424)</u>
Profit after taxation attributable to the equity shareholders of the company		<u>66,737,649</u>	<u>3,798,369</u>
Earnings per share (Basic and diluted)	5	<u>HK\$1.668</u>	<u>HK\$0.095</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the year ended 31 March 2010*

	2010 HK\$	2009 HK\$
Profit for the year	<u>66,737,649</u>	<u>3,798,369</u>
Other comprehensive income for the year		
Increase/(decrease) in fair value of available-for-sale financial assets	26,798,626	(38,370,603)
Reclassification adjustment relating to disposal of available-for-sale financial assets	(4,136,324)	--
Reclassification adjustment relating to impairment loss of available-for-sale financial assets	<u>--</u>	<u>8,000,000</u>
	<u>22,662,302</u>	<u>(30,370,603)</u>
Total comprehensive income, net of tax, for the year attributable to equity shareholders of the company	<u>89,399,951</u>	<u>(26,572,234)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 March 2010*

	HK\$	2010 HK\$	HK\$	2009 HK\$
ASSETS				
Non-current assets				
Property, plant and equipment		875,705		921,764
Investment properties		185,230,000		143,300,000
Leasehold land		1,461,829		1,499,312
Properties held for or under development		9,900,000		9,100,000
Available-for-sale financial assets - equity shares listed in Hong Kong		<u>96,255,332</u>		<u>67,644,149</u>
		<u>293,722,866</u>		<u>222,465,225</u>
Current assets				
Trading securities – equity shares listed in Hong Kong	46,375,782		28,636,713	
Trade and other receivables	1,269,747		3,820,198	
Tax recoverable	-		50,116	
Cash and bank balances	<u>66,603,664</u>	114,249,193	<u>59,610,584</u>	92,117,611
Current liabilities				
Trade and other payables	7,035,429		3,774,648	
Tax payable	1,986,451		1,818,492	
Provision for long service payments	<u>879,700</u>	<u>(9,901,580)</u>	<u>1,737,800</u>	<u>(7,330,940)</u>
Net current assets		<u>104,347,613</u>		<u>84,786,671</u>
Total assets less current liabilities		398,070,479		307,251,896
Non-current liabilities				
Provision for long service payments	466,000		466,000	
Deferred taxation	<u>15,595,133</u>	<u>(16,061,133)</u>	<u>9,212,946</u>	<u>(9,678,946)</u>
NET ASSETS		<u>382,009,346</u>		<u>297,572,950</u>
CAPITAL AND RESERVES				
Share capital		40,000,000		40,000,000
Reserves		<u>342,009,346</u>		<u>257,572,950</u>
		<u>382,009,346</u>		<u>297,572,950</u>

1. Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS”)

In the current year, the group has applied, for the first time, a number of new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the group’s financial year beginning on 1 April 2009. Of these, the following are relevant to the group’s financial statements:

HKAS 1 (Revised)	Presentation of Financial Statements
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

The adoption of the new and revised HKFRSs has no material effect on the reported results and financial position of the group for the current or prior accounting periods. Except for certain changes in presentation and disclosures as described below and in segment information to the financial statements, the adoption of the above standards and amendments do not have significant impact on the financial statements of the group for the current and/or prior accounting years. Accordingly, no prior period adjustment is required.

HKAS 1 (Revised) Presentation of financial statements

The standard has introduced a number of terminology changes, including revised titles for the consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. The measurement and recognition of the group’s assets, liabilities, income and expenses are unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 affects the presentation of changes in equity and introduces a “Statement of Comprehensive Income”. Comparatives have been regrouped to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

Amendments to HKFRS 7 – Financial Instruments: Disclosures

The amendments expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also amend the disclosures required in relation to liquidity risk. The group has not provided comparative information for the additional disclosures in accordance with the transitional provision set out in the amendments.

HKFRS 8 – Operating Segments

The group has adopted HKFRS 8 “Operating Segments” with effect from 1 April 2009. HKFRS 8 requires segment disclosure to be based on the way that the group’s chief operating decision maker regards and manages the group, with the amounts reported for each reportable segment being the measures reported to the group’s chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The group regards the Executive Directors as the chief operating decision maker.

The group’s Executive Directors concluded that the operating segments determined in accordance with HKFRS 8 are the same as the group’s principal business segments as previously identified under the superseded standard, HKAS 14 “Segment Reporting”. Accordingly, the adoption of HKFRS 8 has not resulted in a redesignation of the group’s reportable segments as compared with the reportable segments determined in accordance with HKAS 14 and any change in the basis of measurement of segment profit or loss.

In the past, the group had allocated fixed deposits and bank accounts to securities investment segment and property leasing segment. In the absence of any sales or trading transactions between the operating segments for allocating resources and for better performance assessment between segments, fixed deposits and bank accounts are now classified as corporate assets to reflect central treasury management at corporate level. On 1 April 2009, the group reallocated fixed deposits and bank accounts in aggregate of HK\$58,691,885 and HK\$592,847 respectively from securities investments segment and property leasing segment to corporate level as unallocated corporate assets.

1. Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS”) (Cont’d)

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 financial statements for the year ended 31 March 2010:

		Effective for accounting periods beginning on or after
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvement to HKFRs 2008	1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2009	1 July 2009 and 1 January 2010
HKFRSs (Amendments)	Improvements to HKFRSs 2010	1 July 2010 and 1 January 2011
HKAS 24 (Revised)	Related Party Disclosures	1 January 2011
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
HKAS 32 (Amendment)	Classification of Right Issues	1 February 2010
HKAS 39 (Amendment)	Eligible Hedged Items	1 July 2009
HKFRS 1 (Revised)	First-time Adoption of HKFRSs	1 July 2009
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters	1 January 2010
HKFRS 1 (Amendment)	Limited Exemption for Comparative HKFRS 7 Disclosure for First-time Adopters	1 July 2010
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions	1 January 2010
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HKFRS 9	Financial Instruments	1 January 2013
HK(IFRIC) – Int 11 (Amendment)	HKFRS 2 – Group and Treasury Share Transactions	1 January 2010
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement	1 January 2011
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners	1 July 2009
HK(IFRIC) – Int 18	Transfer of Assets from Customers	1 July 2009
HK(IFRIC) – Int 19	Extinguish Financial Liabilities with Equity Instruments	1 July 2010

The group has not early adopted any new or revised standard, amendment or interpretation that is 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 whether they would have a significant impact on the group’s results and financial position.

2. Turnover

	The group	
	2010	2009
	HK\$	HK\$
Sales of property units	--	75,000,000
Sales of trading securities	29,568,299	18,810,274
Gross rental income from investment properties	10,888,037	11,410,853
Dividend income from share investments listed in Hong Kong		
- trading securities	1,710,495	575,665
- available-for-sale financial assets	3,899,742	3,208,649
	<u>46,066,573</u>	<u>109,005,441</u>

3. Other revenue and other net income/(loss)

	The group	
	2010 HK\$	2009 HK\$
Other revenue		
Bank interest income	211,251	624,506
Sundry income	114,882	44,910
	<u>326,133</u>	<u>669,416</u>
Other net income/(loss)		
Net gain on disposal of available-for-sale financial assets	5,834,433	- -
Fair value gain/(loss) on trading securities	5,183,652	(5,242,649)
Provision for impairment loss on property held for or under development reversed/(charged)	790,000	(320,000)
Impairment loss on available-for-sale financial assets	- -	(8,000,000)
Loss on disposal of property, plant and equipment	(717)	- -
	<u>11,807,368</u>	<u>(13,562,649)</u>

4. Taxation

	The group	
	2010 HK\$	2009 HK\$
Current income tax		
Provision for Hong Kong Profits Tax for current year	1,195,006	2,775,768
(Over)/under-provision for prior year	(156)	132,497
	<u>1,194,850</u>	<u>2,908,265</u>
Deferred tax		
Origination and reversal of temporary differences	6,382,187	(842,484)
Impact of over-claimed allowance in respect of certain investment properties in prior years	- -	(207,938)
Impact of decrease in tax rate	- -	(609,419)
	<u>6,382,187</u>	<u>(1,659,841)</u>
Total deferred tax		
	<u>6,382,187</u>	<u>(1,659,841)</u>
Total income tax	<u>7,577,037</u>	<u>1,248,424</u>

Provision for Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) on the estimated assessable profit for the year.

5. Earnings per share

The calculation of basic earnings per share is based on the consolidated profit after tax of HK\$66,737,649 (2009: HK\$3,798,369) and on 40,000,000 (2009: 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 (2009: Nil).

6. DIVIDENDS

	2010	2009
	HK\$	HK\$
Dividends attributable to the year -		
Interim dividend at HK\$0.025 (2009: HK\$0.02) per share paid during the year	1,000,000	800,000
Final dividend at HK\$0.10 (2009: HK\$0.10) per share proposed after the reporting period	<u>4,000,000</u>	<u>4,000,000</u>
	5,000,000	4,800,000
Unclaimed dividend forfeited (<i>note (a)</i>)	<u>(36,445)</u>	<u>(788,503)</u>
	<u><u>4,963,555</u></u>	<u><u>4,011,497</u></u>

Note (a): Pursuant to Article 145 of the Articles of Association of the company, on 9 March 2010, the board of directors resolved that the dividends for the financial years 1980/81 to 2003/04 amounting to HK\$36,445 payable on or before 8 January 2004 remained unclaimed on 9 March 2010 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.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Results

For the year under review, the turnover of the group decreased by HK\$62,938,868, or 58%, to HK\$46,066,573 as there was no sale in developed property during the year. The group's profit for the year, increased by HK\$62,939,280, or 1,657%, to HK\$66,737,649. The increase was mainly contributed by fair value gain on both trading securities and investment properties and the absence of provision for impairment loss on long term listed share investments as a result of recent rebound of the economy. Also, the group disposed several long term listed share investments which generated profit of HK\$5,834,433 during the year.

Property development

The group recorded no turnover in the property development business, as compared to the turnover of HK\$75,000,000 in last year. As a result of an increase in property value in the second half of the financial year 2009/10, the group recorded a profit of HK\$849,987 in the property development business which was mainly contributed by a fair value recovery of HK\$790,000 on property held for or under development. At present, the group's property projects had no significant development progress.

Property investment

The rental income decreased by HK\$522,816, or 4.6%, to HK\$10,888,037, and the result (excluding the revaluation gain of investments properties) from the property leasing business decreased by HK\$624,455, or 7.7%, to HK\$7,518,832. The decrease was mainly due to an increase in vacancy of the group's property for leasing as a result of the impact of financial turmoil in 2008. Following the rebound of the property market in Hong Kong, the fair value of investment property increased by HK\$41,930,000, or 29%, to HK\$185,230,000, as compared to last year.

Share investments and dividend income

The revenue of the securities investment business increased by HK\$12,583,948 (or 56%) to HK\$35,178,356, as compared to last year. The increase was mainly attributable to an increase in dealings in trading securities and an increase in dividend income from listed shares.

During the year, the group transacted several securities dealings and recorded a profit margin of HK\$9,590,877 (2009: HK\$1,193,113). In addition, the group switched certain share investments in the long-term investment portfolio and realised a gain of HK\$5,834,433. With the recovery of the economy, the assets value for the year was improved. During the year, the group recorded an unrealised gain on trading securities of HK\$5,183,652 and an unrealised gain on available-for-sale financial assets of HK\$26,798,626. At 31 March 2010, the group's share investment portfolio had an aggregate fair value of HK\$142,631,114 (2009: HK\$96,280,862).

Liquidity and financial resources

The group maintains a strong cash position without bank borrowings as at 31 March 2010. The management believes that the group's cash reserve is sufficient to meet its operating and project development expenditure. The group will continue to adopt prudent policy in financial management.

Prospects

Although the overall result for the year was remarkable as a consequence of an increase in the asset value in Hong Kong, the group is still facing challenges in the foreseeable future. In the midst of a persistent low interest rate environment, the management believes that property and securities market will be stable. Subsequent to the reporting date, the group entered into agreements to acquire certain properties for rental purposes. With a strong liquidity position, the group will keep monitoring the market change and make appropriate strategic adjustment on our assets portfolio in order to maximise the returns to shareholders.

DIVIDENDS

In January 2010, the group paid an interim dividend of HK\$0.025 (2009: HK\$0.02) per share totaling HK\$1,000,000 (2009: HK\$800,000).

The board will propose in the Annual General Meeting to be held on 31 August 2010 the payment of a final dividend of HK\$0.10 (2009: HK\$0.10) per share in respect of the year ended 31 March 2010, absorbing a total amount of HK\$4,000,000 (2009: HK\$4,000,000). It is proposed that the dividend cheque will be dispatched on or before 16 September 2010 to the shareholders whose names are on the Register of Members on 31 August 2010.

CLOSURE OF REGISTER

The Register of Members of the company will be closed from Wednesday, 25 August 2010, to Tuesday, 31 August 2010, both days inclusive. To qualify for the above proposed dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 August 2010.

CORPORATE GOVERNANCE PRACTICE

Save for the exceptions below, the company has complied with all the Code Provisions of the Code throughout the year ended 31 March 2010:

1. The group has not designated any chief executive officer. In normal practice, prior approvals by all executive directors are required for all strategic decisions in formal board meeting or under written resolutions. The group believes that the existing organization 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; and
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.

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.

By Order of the Board
Ng See Wah
Chairman

Hong Kong, 16 July 2010

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, Mr. Ng Chi Yeung, Simon and Ms. Chan Suit Fei, Esther, and Ms. Ng Kwok Fun is alternate director to Mr. Ng See Wah.