



WINFAIR INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0287)



INTERIM REPORT

2019 / 2020

INDEPENDENT REVIEW REPORT

To the Board of Directors of

Winfair Investment Company Limited

(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements set out on pages 3 to 23 which comprise the condensed consolidated statement of financial position of Winfair Investment Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 September 2019 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The comparative unaudited interim financial information for the six months period ended 30 September 2018 were reviewed by another auditor who expressed an unmodified opinion on 30 November 2018.

BDO Limited

Certified Public Accountants

Cheung Wing Yin

Practising Certificate Number P06946

Hong Kong, 25 November 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2019

	Notes	Six months ended 30 September	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	3	12,957	14,059
Other revenue	4	2,747	2,676
Gain on disposal of investment properties		–	82,320
Fair value losses on equity instruments at fair value through profit or loss/trading securities		(10,208)	(8,126)
Fair value losses on investment properties		(29,745)	(17,490)
Fair value gains on properties held for or under development		120	40
Administrative and general expenses		(3,407)	(2,868)
Finance costs		(378)	(369)
(Loss)/profit before income tax	5	(27,914)	70,242
Income tax expense	6	(745)	(968)
(Loss)/profit for the period attributable to the owners of the Company		(28,659)	69,274
(Losses)/earnings per share (Basic and diluted) (HK cents)	7	(71.6)	173.2

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
(Loss)/profit for the period	(28,659)	69,274
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in fair value of fair value through other comprehensive income equity investment, net of tax	(18,281)	(2,594)
Other comprehensive income for the period, net of tax	(18,281)	(2,594)
Total comprehensive income for the period attributable to owners of the Company	(46,940)	66,680

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Notes	As at 30 September 2019 HK\$'000 (Unaudited)	As at 31 March 2019 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,595	1,634
Investment properties	8	986,900	610,800
Properties held for or under development		5,080	4,960
Fair value through other comprehensive income equity investment – equity shares listed in Hong Kong	9	100,334	128,449
		1,093,909	745,843
Current assets			
Equity instruments at fair value through profit or loss/trading securities – equity shares listed in Hong Kong		68,292	80,324
Trade and other receivables	10	106,002	2,397
Tax recoverable		6	52
Cash and bank balances		36,420	518,167
		210,720	600,940
Current liabilities			
Other payables		14,159	4,690
Bank borrowings – secured	11	19,943	20,525
Tax payable		775	104
		34,877	25,319
Net current assets		175,843	575,621
Total assets less current liabilities		1,269,752	1,321,464
Non-current liabilities			
Provision for long service payments		118	118
Deferred tax liabilities		894	866
		1,012	984
NET ASSETS		1,268,740	1,320,480
EQUITY			
Capital and reserves			
Share capital		40,000	40,000
Reserves		1,228,740	1,280,480
TOTAL EQUITY		1,268,740	1,320,480

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

	Attributable to owners of the Company					
	Share capital	Capital reserve	Fair value reserve (recycling)	Fair value reserve (non-recycling)	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 March 2018 as originally presented (audited)	40,000	251	46,662	-	1,081,576	1,168,489
Change in accounting policy – Adoption of HKFRS 9	-	-	(46,662)	46,662	-	-
Restated balance as at 1 April 2018	40,000	251	-	46,662	1,081,576	1,168,489
Profit for the period	-	-	-	-	69,274	69,274
Other comprehensive income:						
Changes in fair value of fair value through other comprehensive income ("FVTOCI") equity investment	-	-	-	(2,594)	-	(2,594)
Total other comprehensive income	-	-	-	(2,594)	-	(2,594)
Total comprehensive income	-	-	-	(2,594)	69,274	66,680
Dividends paid (Note 12)	-	-	-	-	(12,800)	(12,800)
Fair value reserve transferred to retained profits upon disposal of FVTOCI equity investment	-	-	-	(2,932)	2,932	-
As at 30 September 2018 (unaudited)	40,000	251	-	41,136	1,140,982	1,222,369

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Cont'd)

For the six months ended 30 September 2019

	Attributable to owners of the Company				
	Share capital HK\$'000	Capital reserve HK\$'000	Fair value reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
As at 1 April 2019 (audited)	40,000	251	44,925	1,235,304	1,320,480
Loss for the period	-	-	-	(28,659)	(28,659)
Other comprehensive income:					
Changes in fair value of FVTOCI equity investment	-	-	(18,281)	-	(18,281)
Total other comprehensive income	-	-	(18,281)	-	(18,281)
Total comprehensive income	-	-	(18,281)	(28,659)	(46,940)
Dividend payable (Note 12)	-	-	-	(4,800)	(4,800)
Fair value reserve transferred to retained profits upon disposal of FVTOCI equity investment	-	-	(5,964)	5,964	-
As at 30 September 2019 (unaudited)	40,000	251	20,680	1,207,809	1,268,740

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Operating activities		
Cash used in operations	(87,458)	(859)
Profits tax paid	-	-
Net cash used in operating activities	(87,458)	(859)
Investing activities		
Purchase of investment properties	(405,845)	(88,690)
Decrease in deposits for acquisitions of investment properties	-	27,040
Purchase of FVTOCI equity investment	(1,337)	(7,883)
Proceeds from disposal of FVTOCI equity investment	11,171	4,669
Proceeds from disposal of investment properties	-	137,920
Interest received	2,682	2,619
Net cash (used in)/generated from investing activities	(393,329)	75,675
Financing activities		
New bank loan raised	20,074	-
Repayment of bank loan	(20,656)	(965)
Dividends paid	-	(12,800)
Interest paid	(378)	(369)
Net cash used in financing activities	(960)	(14,134)
Net (decrease)/increase in cash and cash equivalents	(481,747)	60,682
Cash and cash equivalents at beginning of period	518,167	462,391
Cash and cash equivalents at end of period	36,420	523,073

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements of the Group for the six months period ended 30 September 2019 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group’s audited annual consolidated financial statements for the year ended 31 March 2019. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2019.

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for investment properties, properties held for or under development and certain financial instruments, which are measured at fair values, as appropriate. Historical cost is generally based on the fair value of consideration for goods and services.

The accounting policies applied that have been used in the preparation of the interim financial information are consistent with those used in the Group’s financial statements for the year ended 31 March 2019, except for the adoption of the new and amended Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable HKFRSs, HKASs and Interpretations effective for the first time for annual period beginning on 1 April 2019.

The financial information relating to the year ended 31 March 2019 that is included in these condensed consolidated interim financial statements for the six months ended 30 September 2019 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements 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 has delivered the consolidated financial statements for the year ended 31 March 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

1. *BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Cont'd)*

The Company's independent auditor has reported on those consolidated financial statements. The auditor's report was unqualified, did not include a reference to any matters to which the auditor 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.

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The significant judgements made by management of the Company in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's audited annual consolidated financial statements for the year ended 31 March 2019.

The application of the new and revised HKFRSs issued by the HKICPA that are mandatorily effective for the current interim period has had no material effect on the amounts reported in these condensed consolidated interim financial statements and/or disclosures set out in these condensed consolidated interim financial statements, unless otherwise stated.

The Group has not early applied the new or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations issued but not yet effective will have no material impact on the results and financial position of the Group.

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

The impact of the adoption of HKFRS 16 Leases has been summarised in below. The other new or amended HKFRSs that are effective from 1 April 2019 did not have any significant impact on the Group's accounting policies.

HKFRS 16 – Leases ("HKFRS 16")

The Group has initially applied HKFRS 16 on 1 April 2019. HKFRS 16 replaces HKAS 17 Leases, and the related interpretations, HK(IFRIC) 4 Determining whether an arrangement contains a lease, HK(SIC) 15 Operating leases – incentives, and HK(SIC) 27 Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases. The standard includes two elective recognition exemptions for lessees, which are leases of low-value assets and short-term leases.

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Cont'd)

HKFRS 16 (Cont'd)

(a) *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) *Lessee accounting*

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets.

Where the contract contains lease component and non-lease component, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

(i) *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

1. *BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Cont'd)*

HKFRS 16 (Cont'd)

(b) Lessee accounting (Cont'd)

(i) Lease liabilities (Cont'd)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Cont'd)

HKFRS 16 (Cont'd)

(b) Lessee accounting (Cont'd)

(ii) Right-of-use assets (Cont'd)

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements.

(c) Lessor accounting

HKFRS 16 substantially carries forward the lessor accounting requirements of the superseded HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Refundable rental deposits received are accounted under HKFRS 9 "Financial Instruments" ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments. The application of HKFRS 16 has had no material impact on the Group's condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 September 2019 and the net assets of the Group as at 1 April 2019 (date of initial application of HKFRS 16) and 30 September 2019.

(d) Transitional impact and summary of effects arising from initial application of HKFRS 16

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as lease applying HKAS 17. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application, i.e. 1 April 2019. The Group has also elected to use the modified retrospective approach from 1 April 2019 and comparative information has not been restated and continues to be reported under HKAS 17. There was no impact to the opening balance as at 1 April 2019 upon the initial application of HKFRS 16.

The ownership interests in leasehold land held for use with a carrying amount of approximately HK\$1,106,000 (1 April 2019: HK\$1,124,000) as at 30 September 2019, regarded as right-of-use assets, has been included in Property, plant and equipment upon adoption of HKFRS 16.

2. 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 about operating matter. All the Group's activities are carried out in Hong Kong.

The reportable segments of the Group are as follows:

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

Certain comparative figures on the measurement of the segment results and segments assets have been presented to conform the current period's presentation.

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

	Securities investment		Property leasing		Property development		Consolidated total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September		30 September	
	2019	2018	2019	2018	2019	2018	2019	2018
(Unaudited)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue								
– external customer	4,991	5,267	7,966	8,792	–	–	12,957	14,059
Segment results before net gains or losses	4,452	4,749	5,892	7,153	40	39	10,384	11,941
Gain on disposal of investment properties	–	–	–	82,320	–	–	–	82,320
Fair value losses on equity instruments at fair value through profit or loss ("FVTPL")/trading securities	(10,208)	(8,126)	–	–	–	–	(10,208)	(8,126)
Fair value losses on investment properties	–	–	(29,745)	(17,490)	–	–	(29,745)	(17,490)
Fair value gains on properties held for or under development	–	–	–	–	120	40	120	40
Segment results	(5,756)	(3,377)	(23,853)	71,983	160	79	(29,449)	68,685
Interest income							2,682	2,619
Finance costs							(378)	(369)
Unallocated corporate expenses							(769)	(693)
(Loss)/profit before income tax							(27,914)	70,242

2. SEGMENT INFORMATION (Cont'd)

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

	Securities investment		Property leasing		Property development		Consolidated total	
	As at 30 September 2019	As at 31 March 2019	As at 30 September 2019	As at 31 March 2019	As at 30 September 2019	As at 31 March 2019	As at 30 September 2019	As at 31 March 2019
	HK\$'000 (Unaudited)	HK\$'000 (Audited)	HK\$'000 (Unaudited)	HK\$'000 (Audited)	HK\$'000 (Unaudited)	HK\$'000 (Audited)	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Assets								
Segment assets	189,583	227,903	1,097,990	616,789	5,080	4,960	1,292,653	849,652
Tax recoverable	-	-	6	51	-	1	6	52
	189,583	227,903	1,097,996	616,840	5,080	4,961	1,292,659	849,704
Unallocated corporate assets							11,970	497,079
Total assets							1,304,629	1,346,783
Liabilities								
Segment liabilities	232	166	27,143	23,606	154	140	27,529	23,912
Tax payable and deferred taxation	-	-	1,663	970	6	-	1,669	970
	232	166	28,806	24,576	160	140	29,198	24,882
Unallocated corporate liabilities							6,691	1,421
Total liabilities							35,889	26,303

Segment assets principally comprise all tangible assets and current assets directly attributable to each segment with the exception of certain corporate assets (cash and bank balance). Segment liabilities include all liabilities and borrowings directly attributable to and managed by each segment with the exception of certain corporate liabilities.

3. REVENUE

	Six months ended 30 September	
	2019	2018
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Gross rental income from investment properties	7,966	8,792
Dividend income from listed investments		
– Equity instruments at FVTPL/trading securities	2,068	2,148
– FVTOCI equity investment	2,635	2,354
	4,703	4,502
Gain on disposal of equity instruments at FVTPL/trading securities	288	765
	12,957	14,059

4. OTHER REVENUE

	Six months ended 30 September	
	2019	2018
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Bank interest income	2,682	2,619
Sundry income	65	57
	2,747	2,676

5. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Six months ended 30 September	
	2019	2018
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Depreciation	39	40
Fair value gains on properties held for or under development	(120)	(40)
Fair value losses on equity instruments at FVTPL/trading securities	10,208	8,126
Fair value losses on investment properties	29,745	17,490
Gain on disposal of investment properties	–	(82,320)
Provision for impairment loss on trade and other receivables	58	–

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2019	2018
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Hong Kong Profits Tax	717	953
Deferred tax	28	15
	745	968

Hong Kong Profits Tax is calculated at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profit is calculated at 8.25%, which is in accordance with the new two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

7. (LOSSES)/EARNINGS PER SHARE

The calculation of the basic (losses)/earnings per share is based on the loss for the period after tax of HK\$28,659,000 (profit for the period for the six months ended 30 September 2018: HK\$69,274,000) and on 40,000,000 shares (six months ended 30 September 2018: 40,000,000 shares) in issue during the period.

Diluted (losses)/earnings per share is not presented as there were no potential ordinary shares in issue during both periods ended as at 30 September 2019 and 30 September 2018.

8. INVESTMENT PROPERTIES

	As at 30 September 2019	As at 31 March 2019
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Fair value		
At the beginning of the period/year	610,800	514,100
Additions	405,845	88,690
Disposals	–	(55,600)
(Decrease)/increase in fair value	(29,745)	63,610
At the end of the period/year	986,900	610,800

8. INVESTMENT PROPERTIES (Cont'd)

The Group's investment properties were revalued at 30 September 2019 and 31 March 2019, giving rise to an unrealised fair value loss of approximately HK\$29,745,000 (six months ended 30 September 2018: HK\$17,490,000) which has been recognised in the condensed consolidated statement of profit or loss for the period. The fair values of the Group's investment properties at 30 September 2019 and 31 March 2019 have been derived by RHL Appraisal Limited, an independent qualified professional valuer, using direct comparison method.

During the six months ended 30 September 2019, the Group acquired a redevelopment site located at No. 31 Fuk Tsun Street, Kowloon (the "Acquisition"). The total Acquisition cost is approximately HK\$404,876,000, comprising the consideration of HK\$383,350,000, stamp duty, professional fees and other incidental costs.

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

	As at 30 September 2019	As at 31 March 2019
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Short term lease	31,900	35,000
Medium term leases	231,000	225,500
Long leases	724,000	350,300
	986,900	610,800

At 30 September 2019, the Group's investment properties with aggregate carrying value of approximately HK\$317,400,000 (31 March 2019: HK\$332,400,000) were pledged to a secure general bank facilities of the Group.

9. FVTOCI EQUITY INVESTMENT

	As at 30 September 2019	As at 31 March 2019
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Listed shares in Hong Kong, at fair value	100,334	128,449

The listed equity securities was irrevocably designated at fair value through other comprehensive income 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.

9. FVTOCI EQUITY INVESTMENT (Cont'd)

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 this reserve to retained profits when the relevant equity securities is derecognised.

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

Stock Code	Stock name	Principal business	As at	As at
			30 September 2019	31 March 2019
			HK\$'000 (Unaudited)	HK\$'000 (Audited)
2	CLP Holdings Limited	Utilities	12,353	22,738
5	HSBC Holdings Plc	Financials	22,763	22,888
17	New World Development Co Limited	Properties & Construction	14,504	19,072
388	Hong Kong Exchanges and Clearing Limited	Financials	12,824	15,067
1	CK Hutchison Holdings Limited	Conglomerates	6,933	8,261

During the six months ended 30 September 2019, the Group disposed certain equity securities resulting in a transfer of accumulated gain on the FVTOCI equity investment of approximately HK\$5,964,000 within equity (six months ended 30 September 2018: HK\$2,932,000).

10. TRADE AND OTHER RECEIVABLES

Rentals receivable from tenants are payable on presentation of invoices. Normally, monthly rentals are payable in advance by tenants in accordance with the respective lease term.

The following is an aged analysis of rental receivables presented based on the invoice date at the end of the period:

	As at 30 September 2019	As at 31 March 2019
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Within 30 days	125	143
Within 31 days to 60 days	57	67
Within 61 days to 90 days	23	–
Over 90 days	13	–
Rental receivables	218	210
Stamp duty receivables (<i>Note</i>)	105,575	–
Other receivables	92	1,936
Deposits and prepayments	175	251
	106,060	2,397
Less: Provision for impairment loss on rental receivables	(58)	–
Total trade and other receivables, net	106,002	2,397

Note: It represents stamp duty receivables in relation to the Acquisition amounting to approximately HK\$105,575,000. The Group does not hold any collateral over these balances.

Movements on the provision for impairment of trade and other receivables are as follows:

	As at 30 September 2019	As at 31 March 2019
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Balance at beginning of the period/year	–	–
Addition	58	–
Balance at end of the period/year	58	–

As at 30 September 2019, all trade and other receivables are expected to be recovered within one year.

11. BANK BORROWINGS – SECURED

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

	As at 30 September 2019	As at 31 March 2019
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Within one year	811	10,270
After one year but not exceeding two years	811	10,255
After two years but not exceeding five years	18,321	–
	19,943	20,525

As at 30 September 2019, secured bank loans of approximately HK\$19,943,000 (31 March 2019: HK\$20,525,000) are classified as current liabilities as the related loan agreements contain a clause that provides the lenders with an unconditional right to demand repayment at any time at its own discretion. The bank loans are renewable annually and will be reviewed in April 2020.

As at 30 September 2019, 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 (31 March 2019: 2% above HIBOR, or 1% below BLR).

As at 30 September 2019 and 31 March 2019, bank borrowings were secured by (i) investment properties amounting to approximately HK\$317,400,000 (31 March 2019: HK\$332,400,000); and (ii) a corporate guarantee amounting to HK\$82,900,000 (31 March 2019: HK\$82,900,000) in favour of the bank for securing the aforesaid loans.

12. DIVIDENDS

	Six months ended 30 September	
	2019	2018
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Dividends attributable to the period –		
Final dividend at HK\$0.12 (2018: HK\$0.12)		
per ordinary share payable/paid	4,800	4,800
2018 final special dividend at HK\$0.20		
per ordinary share paid	–	8,000

12. DIVIDENDS (Cont'd)

Subsequent to the reporting date, the directors of the Company declared an interim dividend of HK\$0.02 per ordinary share, totalling HK\$800,000 for the six months ended 30 September 2019. The interim dividend declared after the reporting period end has not been recognised as a liability at the end of the reporting period.

No interim special dividend was declared by the directors for the six months ended 30 September 2019 (six months ended 30 September 2018: HK\$0.05 per ordinary share, totally HK\$2,000,000).

13. CAPITAL COMMITMENTS

	As at 30 September 2019 HK\$'000 (Unaudited)	As at 31 March 2019 HK\$'000 (Audited)
Contracted but not provided for: Capital expenditure for the redevelopment of the investment properties	8,960	–

Subsequent to the reporting date, on 16 November 2019, the Group has entered into a contract on committed capital expenditure for the Acquisition with an independent third party with a total outstanding capital commitment of HK\$50,000,000.

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets measured at fair value

Fair value Hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1:	quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Cont'd)

Financial assets measured at fair value (Cont'd)

Fair value Hierarchy (Cont'd)

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value are grouped into the fair value hierarchy as follows:

Recurring fair value measurement				Total
Financial assets:	Level 1	Level 2	Level 3	Carrying
	HK\$'000	HK\$'000	HK\$'000	value
				HK\$'000
As at 30 September 2019 (unaudited)				
FVTOCI equity investment				
– listed shares in HK	100,334	–	–	100,334
Equity instruments at FVPTL/trading securities				
– listed shares in HK	68,292	–	–	68,292
	168,626	–	–	168,626
As at 31 March 2019 (audited)				
FVTOCI equity investment				
– listed shares in HK	128,449	–	–	128,449
Equity instruments at FVPTL/trading securities				
– listed shares in HK	80,324	–	–	80,324
	208,773	–	–	208,773

Fair value of these investments have been determined by reference to their quoted bid prices as at the reporting date.

During the period, there was no transfer of financial instruments between different levels of fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

INTERIM DIVIDEND

The board has resolved to pay an interim dividend of 2 HK cents per share (2018: an interim dividend of 2 HK cents per share and an interim special dividend of 5 HK cents per share), totaling HK\$800,000 (2018: HK\$2,800,000). Such dividend will be paid on or about 9 January 2020 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 20 December 2019.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 18 December 2019 to Friday, 20 December 2019, both days inclusive. To qualify for the interim 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, 17 Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 17 December 2019.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 September 2019, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors had taken or deemed to have under the provisions of the SFO) or which were recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name of Director	Personal interests	Number of issued ordinary shares held			Total	Approximate percentage of issued share capital of the Company
		Family interests	Corporate interests	Other interests		
Executive directors:						
Ng Tai Wai	3,899,077	-	3,370,500*	-	7,269,577	18.2%
Ng Tai Yin, Victor	1,886,000	-	-	12,800,423 [#]	14,686,423	36.7%
Non-executive directors:						
So Kwok Leung	5,961,077	-	-	-	5,961,077	14.9%
So Kwok Wai, Benjamin	4,989,923	36,000	-	-	5,025,923	12.6%
Ng Kwok Fun	105,000	-	-	-	105,000	0.3%

* 3,370,500 shares attributable to Mr. Ng Tai Wai and the estate of the deceased Mr. Ng See Wah, were held by Rheingold Holdings Limited, a company beneficially owned by Mr. Ng Tai Wai and the estate of the deceased Mr. Ng See Wah.

DIRECTORS' INTERESTS IN SECURITIES (Cont'd)

- # 12,800,423 shares attributable to Mr. Ng Tai Yin, Victor, were held by Mr. Ng Tai Yin, Victor in his capacity as administrator of and on trust for the estate of his deceased father, Mr. Ng See Wah. Of the 12,800,423 shares, 3,370,500 shares were held by Rheingold Holdings Limited, a company beneficially owned by Mr. Ng Tai Wai, an executive director, and the estate of the deceased Mr. Ng See Wah.

Save as disclosed above, none of the directors or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

None of the directors, their spouses or their children under the age of 18 had any right to subscribe for the shares of the Company.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2019, no person, other than Mr. Ng Tai Wai, Mr. Ng Tai Yin Victor, Mr. So Kwok Leung and Mr. So Kwok Wai Benjamin, all of whom are directors of the Company, and Rheingold Holdings Limited (jointly owned by Mr. Ng Tai Wai and Mr. Ng Tai Yin Victor as an administrator of the estate of the deceased Mr. Ng See Wah), had any notifiable interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Save as disclosed above, none of the Directors is also a director or employee of a company which has an interest or short position in shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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 period under review.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Director of Listed Issuers ("Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions. Specific enquiries were made of all directors and the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the period ended 30 September 2019.

AUDIT COMMITTEE

The audit committee, consisting of three independent non-executive directors and one non-executive director, has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including the review of the Group's unaudited interim financial statements.

EMPLOYEE AND EMOLUMENT POLICY

As at 30 September 2019, the Group had 4 (2018: 4) employees (excluding 2 executive directors). The Company's emolument policy is to ensure that the remuneration offered to employees including executive directors and senior management is based on the skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of the Group's employees are periodically reviewed objectively and according to the individual performance. The total staff cost, including mandatory provident fund contribution of approximately HK\$33,000 (2018: HK\$31,000), was approximately HK\$743,000 (2018: HK\$671,000) for the six months ended 30 September 2019.

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended 30 September 2019 in compliance with the code provisions set out in the "Corporate Governance Code" contained in Appendix 14 of the Listing Rules, except that:

- The Group has not designated any chief executive officer. In normal practice, prior approvals by all executive directors are required for all strategic decisions and are confirmed in formal board meeting or under written resolution 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;
- 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;
- 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; and
- The Group has not arranged appropriate 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.

BUSINESS REVIEW AND PROSPECTS

Business review

The Group's turnover for the period amounted to approximately HK\$12,957,000, representing a decrease by approximately HK\$1,102,000 (or 7.8%), as compared to the same period in last year. The decrease was mainly due to decrease in rental income following the disposal of No. 96 Bonham Strand Property in September 2018.

During the period, the Group recorded a loss of approximately HK\$28,659,000, as compared to a profit of approximately HK\$69,274,000 for the same period in last year. This change was mainly due to an absence of gain on disposal of investment properties of HK\$82,320,000, which was recorded in last corresponding period, and increase in fair value losses on investment property and equity instruments at fair value through profit or loss/trading securities, as compared to the same period in last year.

Property leasing

Following the disposal of No. 96 Bonham Strand Property in September 2018, the rental income of the Group was approximately HK\$7,966,000 (2018: HK\$8,792,000) during the period, representing a decrease by approximately HK\$826,000 (or 9.4%) as compared to the same period in last year.

The property located at Nos. 60-66 Ma Tau Chung Road, Kowloon has been totally in vacant possession since early September 2019. Up to present, Hing Full Far East Development Limited, a wholly-owned subsidiary of the Company, obtained the approval for demolition plan from the Buildings Department. The Group has commenced the demolition work since November 2019.

On 10 September 2019, Wing Tai Investment Limited, a wholly-owned subsidiary of the Company, acquired the redevelopment site located at No. 31 Fuk Tsun Street ("FTS Property") at a total cost of approximate of HK\$404,876,000 (comprising of revised consideration of HK\$383,350,000, as stated the Supplemental Agreement on 6 September 2019, stamp duty of HK\$17,425,000 and other incidental costs). Its site area is approximate of 4,403 square feet and its maximum gross floor area is about 39,627 square feet. The Group plans to build 24-storey commercial-residential flats for investment purpose. The related building plan was submitted for approval in October 2019. On 16 November 2019, the Group entered into contract on foundation works for this project with an independent third party at a consideration of HK\$50,000,000.

The property market in Hong Kong is full of challenges due to continuous social conflicts in Hong Kong since late June 2019. The Group recorded a fair value loss on investment properties of approximately HK\$29,745,000 during the period (2018: HK\$17,490,000). As at 30 September 2019, the Group's fair value of investment properties was HK\$986,900,000 (31 March 2019: HK\$610,800,000).

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Property development

The Group recorded a fair value gain of HK\$120,000 (2018: HK\$40,000) on property held for or under development during the period.

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

Securities investment

Dividend income increased by approximately HK\$201,000 (4.5%) to approximately HK\$4,703,000 as compared to the same period in last year.

During the period, the Group recorded a realised gain on disposal of trading securities of approximately HK\$288,000 (2018: HK\$765,000). The Group also realised a gain of disposal of FVTOCI equity investment of approximately HK\$5,964,000 (2018: HK\$2,932,000) which was directly transferred from fair value reserve to retained profits.

During the period under review, the securities market was continued volatile. Also, the securities market was under downward pressure subsequent to the continued outbreak of the social conflicts in Hong Kong. The Group recorded an unrealised loss on trading securities of approximately HK\$10,208,000 (2018: HK\$8,126,000) and unrealised loss on FVTOCI equity investment of approximately HK\$18,281,000 (2018: HK\$2,594,000) which were recorded in statement of profit or loss and other comprehensive income respectively. As at 30 September 2019, the Group's listed share investment portfolios had an aggregate fair value of approximately HK\$168,626,000 (31 March 2019: HK\$208,773,000).

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Securities investment (Cont'd)

Details of the Group's share investment portfolios as at 30 September 2019 for long-term and trading purpose are set out in Table 1 and Table 2 below, respectively:

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

Stock code	Stock name	Principal business	Investment Costs (HK\$'000)	Fair value at 30.9.2019 (HK'000)	Proportional to total assets of the Group	Fair value (loss) during the period (HK\$'000)	Gain on disposal (HK\$'000)	Dividend income (HK\$'000)
1. 5	HSBC Holdings Plc	Financials	26,487	22,763	1.7%	(1,293)	-	581
2. 17	New World Development Co. Ltd.	Properties & Construction	12,810	14,504	1.1%	(4,045)	274	-
3. 388	Hong Kong Exchanges and Clearing Limited	Financials	11,499	12,824	1.0%	(2,412)	-	207
4. 2	CLP Holdings Limited	Utilities	5,211	12,353	1.0%	(1,667)	5,244	252
5. 1	CK Hutchison Holdings Limited	Conglomerates	9,479	6,933	0.5%	(1,329)	-	318
6. 1398	ICBC - H Shares	Financials	6,881	6,306	0.5%	(601)	-	308
7. 1113	CK Assets Holdings Limited	Properties & Construction	-	5,321	0.4%	(1,673)	-	195
	Others (note(1))		26,107	19,330	1.5%	(5,282)	446	774
	Total		98,474	100,334	7.7%	(18,281)	5,964	2,635

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

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

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Securities investment (Cont'd)

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

Stock code	Stock name	Principal business	Investment Costs (HK\$'000)	Fair value at 30.9.2019 (HK'000)	Proportional to total assets of the Group	Fair value (loss) during the period (HK\$'000)	Gain on disposal (HK\$'000)	Dividend income (HK\$'000)
1. 5	HSBC Holdings Plc	Financials	29,915	22,202	1.7%	(1,261)	-	567
2. 388	Hong Kong Exchanges and Clearing Limited	Financials	4,597	9,935	0.8%	(1,868)	-	161
3. 2628	China Life Insurance Co. Ltd. - H Shares	Financials	9,604	8,717	0.7%	(1,387)	-	79
4. 1398	ICBC - H Shares	Financials	8,388	6,825	0.5%	(650)	-	333
5. 17	New World Development Co. Ltd.	Properties & Construction	5,702	5,501	0.4%	(1,535)	-	-
6. 3988	Bank of China Limited - H Shares	Financials	6,556	5,445	0.4%	(849)	-	335
7. 386	China Petroleum & Chemicals Corporation - H Shares	Energy	6,789	4,427	0.3%	(1,454)	-	374
8. 12	Henderson Land Development Company Limited	Properties & Construction	3,085	4,118	0.3%	(1,000)	-	190
	Others (note (1))		5,358	1,122	0.1%	(204)	288	29
	Total		79,994	68,292	5.2%	(10,208)	288	2,068

Note (1): Other securities included three stock listed in Hong Kong. One of which was current constituent of Hang Seng Index and its principal business was financials. The market value for each individual stock was less than 5% of the market value of the Group's trading securities portfolio.

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

Liquidity and financial resources

As at 30 September 2019, the Group's total bank borrowings were approximately HK\$19,943,000, which were wholly repayable within 5 years (31 March 2019: HK\$20,525,000 which were wholly repayable with 2 years). All of the Group's bank borrowings are at floating interest rates. The Group's gearing ratio, which was taken as bank borrowings to total shareholders' equity, remained at 1.6%. The Group's banking facilities are subject to review annually and will be due for negotiation in April 2020. During the past year, the Group diligently monitored its compliance with the lending bank's covenants on loan-to-security value ratio.

BUSINESS REVIEW AND PROSPECTS *(Cont'd)*

Liquidity and financial resources *(Cont'd)*

After the acquisition of FTS Property, cash held by the Group as at 30 September 2019 reduced to approximately HK\$36,420,000 (31 March 2019: HK\$518,167,000). As at 30 September 2019, the Group's outstanding capital commitments for property redevelopment projects, which were contracted for, were HK\$8,960,000. As mentioned above, the Group entered into contract on foundation works at a consideration of HK\$50,000,000 on 16 November 2019. The capital expenditures are expected to be partially funded by internal resources and partially funded by bank loan. 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 Group will utilize additional credit facilities for the Group's property development, when necessary. 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 30 September 2019, the investment properties of the Group with an aggregate carrying value of HK\$317,400,000 (31 March 2019: HK\$332,400,000) were pledged to a bank to secure general banking facilities granted to the Group.

Prospects

Recently, Hong Kong is experiencing in a difficult time. The continual trade tension between US and China increases the probability of global economic slowdown. The Group expects that the securities market will be more volatile. The continual social-political conflicts in Hong Kong have adversely affected local business environment and customers' desire. Up to present, there is no specific and effective solution to the social conflicts. Due to a poor market sentiment in various business sectors (including but not limited to securities market, property market, retailing, tourism, catering, etc.), the Group provided a one-off special adjustment on rental to various tenants during the period under review. The Group will closely review the changes in business environment and market sentiment and make appropriate adjustment on rental policy in order to reduce the vacancy rates. The Group expects that there will be a further downward pressure on both rental income and property price in the short run.

BUSINESS REVIEW AND PROSPECTS *(Cont'd)*

Prospects *(Cont'd)*

The Group will keep a close watch of market changes (not limited to the social and political changes) and make appropriate strategic adjustments to the Group's assets portfolio in order to maximize the returns to shareholders of the Company. The Group will keep its current business strategy plan for identifying high yield property investments and at the same time evaluate and balance the risk and return for each potential investment.

By order of the board

Ng Tai Wai
Chairman

Hong Kong, 25 November 2019

As at the date of this report, 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.