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**WAH HA REALTY COMPANY LIMITED**  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 278)

**ANNUAL RESULTS ANNOUNCEMENT**

For the year ended 31 March 2023

The Board of Directors of Wah Ha Realty Company Limited (the “**Company**”) announces that the consolidated results of the Company and its subsidiaries (the “**Group**”) and share of results of its associated companies for the year ended 31 March 2023, with comparative figures for the previous year, are as follows: -

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 HK\$	2022 HK\$
Revenues	3	<b>38,611,721</b>	7,812,695
Changes in fair value of investment properties		<b>(7,100,000)</b>	100,000
Net fair value losses on financial assets at fair value through profit or loss		-	(205,407)
Losses on disposal on financial assets at fair value through profit or loss		<b>(68,378)</b>	-
Other (losses)/gains	5	<b>(6,209,652)</b>	3,491,274
Direct outgoings in relation to properties that generate income	6	<b>(2,320,516)</b>	(1,505,363)
Cost of sales of completed properties		<b>(1,091,095)</b>	-
Staff costs	6	<b>(8,643,174)</b>	(8,559,287)
Other operating expenses	6	<b>(2,447,275)</b>	(1,817,959)
Operating profit/(loss)		<b>10,731,631</b>	(684,047)
Share of results of associated companies	1	<b>11,737,161</b>	38,599,505
Profit before income tax		<b>22,468,792</b>	37,915,458
Income tax (expenses)/credit	7	<b>(2,712,617)</b>	1,064,904
Profit and total comprehensive income attributable to equity holders of the Company		<b>19,756,175</b>	38,980,362
Dividends	8	<b>41,126,400</b>	41,126,400
Earnings per share (Basic and diluted)	9	<b>0.16</b>	0.32

**CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2023**

	Note	2023 HK\$	2022 HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		213,200,000	220,300,000
Investments in associated companies		803,654,069	816,816,908
Deferred income tax assets		7,197,896	6,146,263
		<u>1,024,051,965</u>	<u>1,043,263,171</u>
<b>Current assets</b>			
Completed properties held for sale		695,374	1,456,911
Amounts due from associated companies		-	38,231,825
Trade and other receivables	10	2,214,075	1,171,858
Income tax recoverable		-	3,029
Financial assets at fair value through profit or loss		-	1,465,790
Cash and bank balances		313,875,081	277,613,090
		<u>316,784,530</u>	<u>319,942,503</u>
<b>Total assets</b>		<u><u>1,340,836,495</u></u>	<u><u>1,363,205,674</u></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital		78,624,000	78,624,000
Retained profits			
- Proposed dividends		27,820,800	27,820,800
- Others		1,129,616,898	1,150,987,123
		<u>1,157,437,698</u>	<u>1,178,807,923</u>
<b>Total equity</b>		<u><u>1,236,061,698</u></u>	<u><u>1,257,431,923</u></u>

	Note	2023 HK\$	2022 HK\$
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		1,076,478	896,422
<b>Current liabilities</b>			
Amounts due to associated companies		95,366,033	98,066,033
Trade and other payables	11	4,749,042	6,811,296
Income tax payable		3,583,244	-
		103,698,319	104,877,329
<b>Total liabilities</b>		104,774,797	105,773,751
<b>Total equity and liabilities</b>		1,340,836,495	1,363,205,674
<b>Net current assets</b>		213,086,211	215,065,174

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

As at 31 March 2023, the Group's investment properties were stated at their fair values of approximately HK\$213.2 million. Included in investments in associated companies were the Group's share of fair value of investment properties held by associated companies of approximately HK\$640.0 million. Fair value losses of investment properties of HK\$7.1 million were accounted for in the Group's consolidated statement of comprehensive income for the year ended 31 March 2023, while share of associated companies' results also included the Group's share of fair value losses of investment properties held by the associated companies of HK\$13.7 million.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and requirements of the Hong Kong Companies Ordinance (Cap. 622) (the "Companies Ordinance"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair value.

The financial information relating to the years ended 31 March 2023 and 2022 included in this preliminary announcement of annual results for the year ended 31 March 2023 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 March 2022 to the Companies Registry as required by section 662(3) of, and Part 3 of Schedule 6 to the Companies Ordinance and will deliver the financial statements for the year ended 31 March 2023 in due course.

The Group's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## Changes in accounting policies and disclosures

The Group has applied the following amended standards for the first time for the annual reporting period commencing on 1 April 2022 :

Annual improvements projects	Annual improvements to HKFRSs 2018-2020
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope amendments
Accounting Guideline 5 (revised)	Revised accounting guideline 5 - merger accounting for common control combinations

The adoption of the above amended standards did not have any significant impact on the results and financial position of the Group and no retrospective adjustments are required.

### 3. REVENUES

	2023 HK\$	2022 HK\$
Rental income		
Investment properties	2,721,136	1,683,786
Other properties	1,687,480	1,640,891
Bank interest income	7,203,874	2,951,155
Dividend income	324,868	3,570
Revenue under HKFRS 15		
<i>Recognised at point in time</i>		
Sales of completed properties held for sale	25,000,000	-
<i>Recognised over time</i>		
Management fee income	1,674,363	1,533,293
	<u>38,611,721</u>	<u>7,812,695</u>

### 4. SEGMENT INFORMATION

The principal activities of the Group include those relating to investment holding, property development, investment and management in Hong Kong. There is no other significant identifiable separate business. In accordance with the Group's internal financial reporting provided to the chief operating decision-maker for the purpose of allocating resources, assessing performance of the operating segments and making strategic decision, the reportable operating segments are property development, investment and management and fund investments and management.

Segment assets consist of investment properties, receivables, completed properties held for sale and cash and bank balances and exclude items such as tax recoverable and deferred income tax assets. (2022: investment properties, financial assets at fair value through profit or loss, receivables, completed properties held for sale and cash and bank balances and exclude items such as tax recoverable and deferred income tax assets.) Segment liabilities comprise operating liabilities and exclude items such as tax payable, unpaid dividend and deferred income tax liabilities.

	<b>Property development, investment and management HK\$</b>	<b>Fund Investments and management HK\$</b>	<b>Total HK\$</b>
<b>Year ended 31 March 2023</b>			
Bank interest income	-	7,203,874	7,203,874
Rental income	4,408,616	-	4,408,616
Sales of completed properties held for sale	25,000,000	-	25,000,000
Management fee income	1,674,363	-	1,674,363
Other revenues	-	324,868	324,868
Revenues	<u>31,082,979</u>	<u>7,528,742</u>	<u>38,611,721</u>
Segment results	<u>18,514,722</u>	<u>1,063,297</u>	19,578,019
Unallocated costs			<u>(8,846,388)</u>
Operating profit			10,731,631
Share of results of associated companies	11,737,161	-	11,737,161
Profit before income tax			22,468,792
Income tax expenses			<u>(2,712,617)</u>
Profit attributable to equity holders of the Company			<u>19,756,175</u>
Segment assets	214,732,761	315,251,769	529,984,530
Associated companies	803,654,069	-	803,654,069
Unallocated assets			7,197,896
Total assets			<u>1,340,836,495</u>
Segment liabilities	97,603,760	-	97,603,760
Unallocated liabilities			7,171,037
Total liabilities			<u>104,774,797</u>
Changes in fair value of investment properties	(7,100,000)	-	(7,100,000)
Losses on disposal of financial assets at fair value through profit or loss	-	(68,378)	(68,378)

	Property development, investment and management HK\$	Fund Investments and management HK\$	Total HK\$
Year ended 31 March 2022			
Bank interest income	-	2,951,155	2,951,155
Rental income	3,324,677	-	3,324,677
Management fee income	1,533,293	-	1,533,293
Other revenues	-	3,570	3,570
Revenues	<u>4,857,970</u>	<u>2,954,725</u>	<u>7,812,695</u>
Segment results	<u>1,465,205</u>	<u>6,052,550</u>	<u>7,517,755</u>
Unallocated costs			(8,201,802)
Operating loss			(684,047)
Share of results of associated companies	38,599,505	-	38,599,505
Profit before income tax			37,915,458
Income tax credit			1,064,904
Profit attributable to equity holders of the Company			<u>38,980,362</u>
Segment assets	260,727,408	279,512,066	540,239,474
Associated companies	816,816,908	-	816,816,908
Unallocated assets			6,149,292
Total assets			<u>1,363,205,674</u>
Segment liabilities	102,833,097	-	102,833,097
Unallocated liabilities			2,940,654
Total liabilities			<u>105,773,751</u>
Changes in fair value of investment properties	100,000	-	100,000
Net fair value losses on financial assets at fair value through profit or loss	<u>-</u>	<u>(205,407)</u>	<u>(205,407)</u>



**5. OTHER (LOSSES)/ GAINS**

	<b>2023</b> <b>HK\$</b>	2022 HK\$
Net exchange (losses)/gains	<b>(6,397,068)</b>	3,303,232
Sundries	<b>187,416</b>	188,042
	<u><b>(6,209,652)</b></u>	<u>3,491,274</u>

**6. EXPENSES BY NATURE**

	<b>2023</b> <b>HK\$</b>	2022 HK\$
Direct outgoings in relation to properties that generate income		
Investment properties	<b>1,054,516</b>	972,871
Other properties	<b>1,266,000</b>	532,492
	<u><b>2,320,516</b></u>	<u>1,505,363</u>
Staff costs (including Directors' remuneration)		
Salaries and other emoluments	<b>8,031,137</b>	7,970,091
Contributions to retirement schemes	<b>612,037</b>	589,196
	<u><b>8,643,174</b></u>	<u>8,559,287</u>
Other operating expenses		
Auditor's remuneration		
Audit fees	<b>560,100</b>	560,100
Non-audit fees	<b>389,000</b>	389,000
Others	<b>1,498,175</b>	868,859
	<u><b>2,447,275</b></u>	<u>1,817,959</u>

**7. INCOME TAX (EXPENSES)/ CREDIT**

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the year.

	<b>2023</b> <b>HK\$</b>	2022 HK\$
Hong Kong profits tax		
Provision for the year	<b>(3,584,194)</b>	-
Deferred income tax	<b>871,577</b>	1,064,904
	<u><b>(2,712,617)</b></u>	<u>1,064,904</u>

## 8. DIVIDENDS

	<b>2023</b> <b>HK\$</b>	2022 HK\$
Interim dividend paid of HK11 cents (2022: HK11 cents) per share	<b>13,305,600</b>	13,305,600
Proposed final dividend of HK11 cents (2022: HK11 cents) per share	<b>13,305,600</b>	13,305,600
Proposed special dividend of HK12 cents (2022: HK12 cents) per share	<b>14,515,200</b>	14,515,200
	<b><u>41,126,400</u></b>	<u>41,126,400</u>

Note: At the Board meeting held on Thursday, 29 June 2023, the Board of Directors proposed a final dividend of HK11 cents per share and a special dividend of HK12 cents per share. These proposed dividends will be accounted for as an appropriation of retained profits for the year ending 31 March 2024.

## 9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>2023</b> <b>HK\$</b>	2022 HK\$
Profit attributable to equity holders of the Company	<b><u>19,756,175</u></b>	<u>38,980,362</u>
Weighted average number of ordinary shares in issue	<b><u>120,960,000</u></b>	<u>120,960,000</u>
Earnings per share (Basic and diluted)	<b><u>0.16</u></b>	<u>0.32</u>

The Company has no dilutive potential ordinary shares.

## 10. TRADE AND OTHER RECEIVABLES

	2023 HK\$	2022 HK\$
Trade receivables		
Within 3 months	457,865	453,428
4-6 months	-	15,000
Other receivables	1,398,255	433,194
Prepayments and utility deposits	357,955	270,236
	<u>2,214,075</u>	<u>1,171,858</u>

Notes:

- (a) Trade receivables represent rental and management fee receivables. Rental receivable is normally due for payment upon presentation of debit note at the beginning of each rental period (normally on a monthly basis). The rental receivables are generally fully covered by the rental deposits from corresponding tenants. Management fee is normally due for payment upon presentation of debit note at the end of each month. The above ageing analysis is based on the debit note date.

Receivables are denominated in Hong Kong dollar and the Directors consider that the fair value of these receivables at the balance sheet date was approximately their carrying amounts.

- (b) The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. There is no loss allowance as at 31 March 2023 (2022: Nil).

## 11. TRADE AND OTHER PAYABLES

	2023 HK\$	2022 HK\$
Trade payables	-	1,900
Other payables	2,518,833	2,045,148
Rental and utility deposits received	935,572	939,472
Receipts in advance	-	2,500,000
Accrued expenses	1,294,637	1,324,776
	<u>4,749,042</u>	<u>6,811,296</u>

The ageing analyses of the trade payables based on invoice date were as follows:

	2023 HK\$	2022 HK\$
Trade payables		
Within 3 months	-	1,900
	<u>                    </u>	<u>                    </u>

## 12. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the announcements of the Company dated 10 June 2022 and 20 June 2022, the Company received a letter from the Listing Committee on 2 September 2022 notifying the Company that the Listing Committee, having considered all the submissions (both written and oral) made by the Company and the Listing Division, decided to uphold the decision in the letter dated 10 June 2022 to suspend trading in the Company's shares under Rules 6.01(3) and 6.01(4) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (the "LC Decision"). The Listing Committee was of the view that the Company (i) failed to maintain a sufficient level of operations and assets of sufficient value to support its operations as required under Rule 13.24 of the Listing Rules; and (ii) was not suitable for continued listing. According to the announcement dated 14 September 2022, the Company has decided not to apply for a review of the LC Decision, trading in the shares of the Company on the Stock Exchange was suspended with effect from 15 September 2022.

On 6 October 2022, the Company received a letter from the Stock Exchange setting out the resumption guidance for resumption of trading in the Company's shares. The Company must meet all resumption guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months.

Referring to the joint announcement issued by the Company dated 13 March 2023, on 13 March 2023, certain shareholders of the Company formally informed the Company with respect to the making of a voluntary unconditional cash offer to acquire all the Offer Shares (the “Offer”). The Company and the Offeror issued a joint announcement dated 8 June 2023 in relation to the Offer, the Offer was closed on 8 June 2023 and the Offeror received acceptances for a total of 46,953,629 shares. After these, the Offeror and the Offeror Concert Parties obtained 92.66% of the shares of the Company, and approximately 7.34% of the total issued shares were held by the public (as defined in the Listing Rules). Hence, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. On 21 June 2023, the Company received a letter from the Stock Exchange setting out the additional resumption guidance for resumption of trading in the Shares to restore the minimum public float required under Rule 8.08(1) of the Listing Rules.

The Group will continue to operate its business in substantially its current state whilst the Company explores and considers available opportunities and options in formulating a feasible plan for the resumption of trading in the shares. If the Company fails to remedy the issues causing its trading suspension, fulfil the resumption guidance of the Stock Exchange and fully comply with the Listing Rules to the Stock Exchange’s satisfaction and resume trading in the shares by 14 March 2024, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company’s listing.

## **DIVIDENDS**

The Directors recommend the payment of a final dividend of HK11 cents (2022: HK11 cents) per share and a special dividend of HK12 cents (2022: HK12 cents) per share for the year ended 31 March 2023. Together with the interim dividend of HK11 cents (2022: HK11 cents) per share, total dividends for the year amount to HK34 cents (2022: HK34 cents) per share. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting, the proposed final and special dividends totalling HK23 cents per share will be payable on Friday, 6 October 2023 to the equity holders whose names appear on the Register of Members of the Company on Wednesday, 27 September 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Tuesday, 19 September 2023 to Wednesday, 27 September 2023, both days inclusive, during which period no transfer of shares will be registered.

To qualify for the above-mentioned dividends, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Hongkong Managers and Secretaries Limited at Units 1607-8, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong not later than 4:00 p.m. on Monday, 18 September 2023.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESULTS**

The Group's revenues for the year ended 31 March 2023 amounted to HK\$38.6 million, 4.9 times of that of the previous year. This significant increase was mainly attributable to the sales proceeds from the Group's disposal of interest in a completed properties held for sale, coupled with improvements in rental income and interest income for HK\$1.1 million and HK\$4.3 million respectively.

For the year under review, the Group's profit attributable to equity holders was HK\$19.8 million, representing a decrease of 49.3% from 2022. Though the contribution from the Group improved to HK\$8.0 million (2022: HK\$0.4 million), the Group's share of the results of its associated companies dropped to HK\$11.7 million (2022: HK\$38.6 million). Earnings per share was HK\$0.16 as compared to HK\$0.32 of the last year. The significant decrease in the profit attributable to equity holders was mainly caused by the fair value losses of HK\$20.8 million recorded from the revaluations of the Group's and its associated companies' investment properties (2022: gains of HK\$3.0 million). Further, the aggregate realised profits from the sales of properties of the Group and its share of associated companies was HK\$9.0 million higher than that of the last year. Interest income and the results of our investment portfolio were higher than those of the last year by HK\$4.3 million and HK\$0.5 million respectively. Our rental business struggled in the weak local economy and a better contribution of HK\$0.8 million was recorded. On the other hand, last year's strength in the exchange rate of RMB/HK\$ no longer exists and an unfavourable exchange difference of HK\$9.7 million was reported for the year under review.

### **BUSINESS REVIEW**

#### **Property Development, Investment and Management**

During the year under review, amidst the weakness of the local economy, the Group's and its associated companies' rental income experienced a slight improvement in operation. The overall contribution to the Group's net profit rose by HK\$0.8 million.

During the year under review, a subsidiary disposed of its interest in 1 workshop and 2 carparks in Kwai Chung. An associated company disposed of its interest in 5 industrial units in Fanling. Another associated company disposed of all its units in Yau Ma Tei. The net profit derived from these disposals was HK\$23.1 million.

Subsequent to the year under review, the first mentioned associated company disposed of its interest in 1 industrial unit in Fanling and entered into an agreement to further dispose of its interest in another industrial unit in Fanling.

Apart from the aforesaid, the Group did not acquire or dispose of any property during the year under review and up to the date of this announcement.

## **Investments**

During the year under review, the performance of the Group's investment portfolio was similar to that of the last year. RMB experienced a sharp decline on the back of a stronger US\$. Exchange losses instead of gains was reported. An unfavourable exchange differences of HK\$9.7 million was resulted. Benefiting from the global interest rate hikes to curb the upsurging inflation, bank deposit rates rose. Our interest income was HK\$4.3 million higher than that of the last corresponding year.

## **PROSPECTS**

In Hong Kong, the economy suffered from the Fifth Wave of COVID-19. In the United States, the Federal Reserve implemented stringent measures such as lifting the interest rate and balance sheet normalization to curb the surging inflation. Volatility in financial markets led to the collapses of certain small/medium-sized banks. Some commentators predicted that the interest hike cycle would end within the following one or two months. There were however worries of the sustained high interest rate environment and the likelihood of recession. On the other hand, China has taken steps to boost its economy in the post-COVID-19 period.

For the year under review, the local economy struggled from the bottom of the Fifth Wave of COVID-19. After negative growths in GDP and private consumption expenditure in a series of quarters, positive growths of 2.7% and 13.0% respectively were reported in the 1st Quarter of 2023 upon the re-opening of the borders. The seasonally adjusted unemployment rate for March to May 2023 stayed at a relatively low level of 3.0%. Inflation as reflected by the Composite Consumer Price Index for May 2023 was 2.0%. While negative growths in imports and exports were observed for almost one year, the volume of retail sales picked up again this year. Our rental business, however, does not benefit significantly from the rising retail sales.

The recovery of the local economy is clouded with uncertainties brought about by the global lacklustre economy. We should be cautious in employing our precious resources in an effective and efficient way so as to deliver sustainable returns to our shareholders.

## **UPDATES ON THE ISSUES OF THE COMPANY IN RELATION TO RULE 13.24 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”) (“THE LISTING RULES”) (“RULE 13.24”)**

References are made to (1) the updates on Rule 13.24 in the interim report of the Company for the six months ended 30 September 2022; (2) the announcement made by the Company dated 11 October 2022 in relation to the resumption guidance for the Company as set out in a letter from the Stock Exchange (the “**October 2022 Resumption Guidance**”) and (3) the announcement made by the Company dated 28 June 2023 in relation to the additional resumption guidance for the Company as set out in a letter from the Stock Exchange (the “**Additional Resumption Guidance**”, together with the October 2022 Resumption Guidance, the “**Resumption Guidance**”). Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months.

Pursuant to Rules 13.09 and 13.24A of the Listing Rules, the announcements of the Company dated (i) 14 December 2022 in relation to the first quarterly update on progress of resumption and continued suspension of trading; (ii) 14 March 2023 in relation to the second quarterly update on progress of resumption and continued suspension of trading; and (iii) 14 June 2023 in relation to the third quarterly update on progress of resumption and continued suspension of trading have been made.

As at the date of this announcement, trading in the shares of the Company (the “**Shares**”) remains suspended pending fulfilment of the Resumption Guidance.

For details, please refer to the announcements of the Company dated 2 September 2022, 14 September 2022, 11 October 2022, 14 December 2022, 14 March 2023, 14 June 2023 and 28 June 2023.

## **THE VOLUNTARY UNCONDITIONAL CASH OFFER**

On 13 March 2023, the Company was formally informed of the making of the voluntary unconditional cash offer by Eddid Capital Limited and Maxa Capital Limited on behalf of Good Vision Development Limited (the “**Offeror**”) (a company beneficially owned by Mr. Cheung Kee Wee, Mr. Cheung Lin Wee and Mr. Cheung Ying Wai, Eric, the three Executive Directors of the Company (the “**EDs**”), in equal shares) for all the issued Shares held by all the shareholders of the Company (the “**Shareholders**”) other than the EDs and Humphrey Group Limited (a company owned by Mr. Cheung Kee Wee, his spouse and their two children in equal shares) (the “**Offer Shareholders**”) (the “**Offer Shares**”) (the “**Offer**”). The Offer was closed on 8 June 2023 and the Offeror had received valid acceptances for a total of 46,953,629 Offer Shares (the “**Acceptance Shares**”), representing approximately 38.82% of the total issued Shares.



For details, please refer to the announcements jointly issued by the Offeror and the Company dated 13 March 2023, 2 April 2023, 26 April 2023, 2 May 2023, 17 May 2023, 25 May 2023 and 8 June 2023 as well as the composite offer and response document jointly issued by the Offeror and the Company dated 26 April 2023.

## **PUBLIC FLOAT OF THE COMPANY**

Reference is also made to the announcement jointly issued by the Offeror and the Company dated 8 June 2023 in relation to, among other things, the results of the Offer and the public float of the Company (the “**Closing Announcement**”).

As disclosed in the Closing Announcement, immediately after the close of the Offer i.e. as at 4:00 p.m. on 8 June 2023, subject to the completion of the transfer procedures of the Acceptance Shares to the Offeror, 8,881,411 Shares, representing approximately 7.34% of the total issued Shares as at the date of the Announcement, were held by the public (as defined in the Listing Rules).

As at the date of this announcement, the transfer procedures of the Acceptance Shares to the Offeror have been completed, and hence, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied.

On 21 June 2023, the Company received a letter from the Stock Exchange setting out the following Additional Resumption Guidance for resumption of trading in the Shares:

- Restore the minimum public float required under Rule 8.08(1) of the Listing Rules

The Company must meet all Resumption Guidance which are applicable to the Company, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange’s satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange may modify or supplement the Resumption Guidance applicable to the Company if the Company’s situation changes. For details, please refer to the announcement of the Company dated 28 June 2023.

## **EMPLOYMENT AND REMUNERATION POLICIES**

As at 31 March 2023, the Group had less than twenty employees and their remuneration are maintained at competitive levels. Total staff costs (including Directors’ remuneration) amounted to HK\$8.6 million (2022: HK\$8.6 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee of the Company regarding Directors and senior management. Employees’ salaries are determined on performance basis with reference to the market trend. In addition, discretionary bonuses are granted to eligible employees with reference to the Group’s results and individual performance. Other benefits include education and training subsidies, medical and retirement benefits and paid leaves.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group is virtually debt-free and generally finances its operations with internally generated cash flows. The gearing ratio of the Group was zero (2022: zero). The gearing ratio, if any, is calculated as the ratio of net bank borrowings to shareholders' funds. The Group's cash and cash equivalents amounted to HK\$313.9 million at 31 March 2023 (2022: HK\$277.6 million). The Board believes that the Group has sufficient financial resources for its operations. The Group has no material exposure to foreign exchange rate fluctuation, other than its bank deposits in RMB, and material contingent liabilities.

## CORPORATE GOVERNANCE CODE

The Company is committed to maintain high standards of corporate governance. Throughout the financial year ended 31 March 2023, the Company has applied and complied with the code provisions contained in the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Listing Rules, except for the code provision C.2.1 in respect of the roles of the Chairman and Chief Executive of the Company (“**CE**”). The considered reasons for this deviation are explained below:-

Under the code provision C.2.1 of the CG Code, the roles of the Chairman and CE should be separate and should not be performed by the same individual. Mr. Cheung Kee Wee is the Chairman of the Board and there is not a post of CE in the Company. The roles of the CE are performed by all the Executive Directors of the Company with clear division of responsibilities under the leadership of the Chairman. The Board considers that this arrangement allows contributions from all Executive Directors with different expertise and can ensure the balance of power and authority between the Board and the management of the Group. The Board therefore believes that this structure can enable the Group to make and implement decisions promptly and efficiently and is beneficial to the business prospect of the Group.

The Company has adopted the Model Code for Securities Transactions by Directors (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its Code of Conduct for dealing in securities of the Company by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year.

The Company has received from each of the Independent Non-executive Directors a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors are independent.

Details of the corporate governance code as adopted by the Company and of the deviation from the code provision C.2.1 of the CG Code will be set out in the Corporate Governance Report contained in the Company's 2023 Annual Report.

## **AUDIT COMMITTEE**

The Audit Committee of the Company has been established since 1998. As at the date hereof, the Audit Committee consists of three Independent Non-executive Directors, namely Messrs Chan Woon Kong (*Chairman*), Chan Wing Tat and Kok Lap Seng and a Non-executive Director, namely Mr. Ng Kwok Tung, with written terms of reference in compliance with the Listing Rules. The Audit Committee of the Company has reviewed the annual results of the Company for the year ended 31 March 2023.

## **SCOPE OF WORK OF THE AUDITOR ON THIS RESULTS ANNOUNCEMENT**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company has not redeemed any of the Shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the issued Shares during the year.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is available for viewing on the respective websites of the Stock Exchange and the Company. The annual report of the Company for the year ended 31 March 2023 will be published and dispatched to the Shareholders in late July 2023.

## **ANNUAL GENERAL MEETING AND RELEVANT NOTICE**

It is proposed that the 2023 annual general meeting of the Company (the "2023 AGM") will be held on Tuesday, 12 September 2023 at 11:00 a.m.. Notice of the 2023 AGM will be published and dispatched to the Shareholders in late July 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Tuesday, 5 September 2023 to Tuesday, 12 September 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the entitlement to attend and vote at the 2023 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Hongkong Managers and Secretaries Limited at Units 1607-8, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong not later than 4:00 p.m. on Monday, 4 September 2023.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the Shares has been suspended with effect from 9:00 a.m. on 15 September 2022. The resumption of trading in the Shares is subject to the Company's satisfaction of all Resumption Guidance set out by the Stock Exchange, remediation of the issues causing the trading suspension and full compliance with the Listing Rules. Trading in the Shares remains suspended until further notice.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises Messrs Cheung Kee Wee, Cheung Lin Wee and Cheung Ying Wai, Eric as Executive Directors, Mr. Ng Kwok Tung as Non-executive Director and Messrs Chan Woon Kong, Chan Wing Tat and Kok Lap Seng as Independent Non-executive Directors.

By Order of the Board

**Wah Ha Realty Company Limited**

**Raymond W. M. Chu**

Company Secretary

Hong Kong, 29 June 2023