WING LEE PROPERTY INVESTMENTS LIMITED
永利地產發展有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 864)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

INTERIM RESULTS

The board of directors (the "**Board**") of Wing Lee Property Investments Limited (the "**Company**") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2015, together with comparative figures for the corresponding period ended 30 June 2014.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended	
	Notes	**30.6.2015** ***HK$'000*** **(unaudited)**	30.6.2014 *HK$'000* (unaudited)
Turnover	3	**13,915**	13,862
Direct operating expenses		**(582)**	(868)
		13,333	12,994
Other income		**382**	3,271
Other gains or losses		**(76)**	–
Net changes in fair value of investment properties	9	**65,532**	13,070
Administrative expenses		**(5,098)**	(5,095)
Finance costs	4	**(683)**	(798)
Profit before taxation	5	**73,390**	23,442
Taxation	6	**(1,534)**	(1,553)
Profit and total comprehensive income for the period attributable to owners of the Company		**71,856**	21,889
Earnings per share	7	**HK$0.186**	HK$0.057

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	**30.6.2015** *HK$'000* **(unaudited)**	31.12.2014 *HK$'000* (audited)
Non-current assets			
Investment properties	9	**1,116,140**	1,036,860
Property, plant and equipment	10	**17,831**	17,610
		1,133,971	1,054,470
Current assets			
Rental and other receivables	11	**377**	784
Held for trading investments		**1,450**	1,495
Fixed deposits		**33,717**	49,441
Bank balances and cash		**5,185**	7,177
		40,729	58,897
Current liabilities			
Other payables and rental deposits received	12	**10,168**	10,007
Taxation payable		**1,891**	552
Bank loans – due within one year		**26,976**	28,082
Obligation under a finance lease		**96**	–
		39,131	38,641
Net current assets		**1,598**	20,256
Total assets less current liabilities		**1,135,569**	1,074,726
Non-current liabilities			
Bank loans – due after one year		**62,000**	69,717
Obligation under a finance lease		**393**	–
Deferred taxation		**5,118**	4,945
		67,511	74,662
Net assets		**1,068,058**	1,000,064
Capital and reserves			
Share capital	13	**3,862**	3,862
Reserves		**1,064,196**	996,202
Total equity		**1,068,058**	1,000,064

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and held for trading investments that are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefits plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on properties investment. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the executive directors of the Company (the "Executive Directors"), the chief operating decision maker of the Group. The Executive Directors regularly review revenue analysis by locations of the investment properties and relevant types of properties which generate rental income as presented below, and hence no analysis of this single operating segment is presented. Other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective locations. The Executive Directors review the overall results of the Group as a whole to make decisions about resources allocation.

Turnover represents the rental income received from operating leases.

An analysis of the Group's turnover by geographical locations of the investment properties and relevant types of properties which generate rental income are as follows:

	Turnover from external customers Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong		
Hong Kong Island:		
Commercial	**8,663**	8,811
Residential	**354**	326
Kowloon:		
Commercial	**2,264**	2,207
Residential	**1,316**	1,208
Industrial	**1,121**	1,105
The People's Republic of China (the "PRC")		
Shenzhen:		
Commercial	**197**	205
	13,915	13,862

4. FINANCE COSTS

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank borrowings wholly repayable		
– within five years	**60**	66
– over five years	**623**	732
	683	798

5. PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**328**	396
and after crediting:		
Interest income (included in other income)	**332**	444

6. TAXATION

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The charge comprises:		
Hong Kong Profits Tax		
– Current period	**1,340**	1,295
PRC Enterprise Income Tax	**21**	21
Deferred taxation charge	**173**	237
	1,534	1,553

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

According to Article 3 of the Enterprise Income Tax Law (中華人民共和國企業所得稅) and Article 91 of the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例), a non-resident enterprise without any establishment in China deriving income sourced in China is liable to Enterprise Income Tax on such income, at 10% of the gross amount. An entity of the Group earns rental income derived from a property located in the PRC and is subject to PRC Enterprise Income Tax calculated at 10% of the gross rental income received in the PRC.

Deferred tax on Land Appreciation Tax ("LAT") is provided for according to the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例) and its implementing rules which stipulate that LAT shall be chargeable on the appreciation in value, representing the excess balance of the proceeds from sales of real estates over the relevant direct costs, at rates progressing from 30% to 60%.

Deferred tax on Enterprise Income Tax for capital gain of a property held by the Group in the PRC is provided at 10% of the estimated net gain upon disposal of the property, representing the estimated sales proceeds from sale of property less its relevant costs including business tax and LAT.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings		
Profit for period attributable to owners of the Company for the purpose of basic earnings per share	**71,856**	21,889
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**386,175,758**	386,175,758

No dilutive earnings per share is presented as there were no dilutive potential ordinary shares during both periods.

8. DIVIDEND

A final dividend of HK$0.01 (2013: nil) per share, totalling approximately HK$3,862,000 (2013: nil) in respect of the year ended 31 December 2014 was paid in May 2015. The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

9. INVESTMENT PROPERTIES

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
FAIR VALUE		
At beginning of the period	**1,036,860**	966,692
Additions	**13,748**	–
Net increase in fair value	**65,532**	70,168
At end of the period	**1,116,140**	1,036,860

The carrying value of investment properties shown above situated on:

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Land in Hong Kong:		
– long leases	**901,190**	829,690
– medium-term leases	**207,200**	199,420
Land in PRC:		
– medium-term leases	**7,750**	7,750
	1,116,140	1,036,860

The fair value of the Group's investment properties at 30 June 2015 have been arrived at on the basis of a valuation carried out by Shing Yin Appraisal Limited ("Shing Yin"), an independent firm of professional valuers not related to the Group whose address is Unit 2403, Tung Wai Commercial Building, 109-111 Gloucester Road, Wan Chai, Hong Kong.

The fair value of the Group's investment properties at 31 December 2014 have been arrived at on the basis of a valuation carried out on those dates by RHL Appraisal Limited ("RHL"), an independent firm of professional valuers not related to the Group whose address is Room 1010, Star House, Tsimshatsui, Kowloon, Hong Kong.

The valuations as at 30 June 2015 and 31 December 2014 have been arrived at by using direct comparison method by making reference to comparable market transactions as available.

All of the Group's investment properties were assumed to be recovered through sales and deferred tax liabilities in respect of fair value changes on investment properties have been estimated taking into account this assumption. The Group has not recognized deferred tax liabilities in relation to changes in fair value of the investment properties that are situated in Hong Kong during the six months ended 30 June 2015 and 2014 as the Group is not subject to any income taxes on disposal of its investment properties. The Group has recognized deferred tax liabilities on changes in fair value of the investment property that is situated in the PRC as the property in the PRC is subject to LAT and capital gains tax upon disposal.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired approximately HK$549,900 in property, plant and equipment (2014: nil).

11. RENTAL AND OTHER RECEIVABLES

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Rental receivables	**4**	241
Other receivables, deposits and prepayments	**373**	543
	377	784

The following is an aged analysis of rental receivables (presented based on rental demand notices issued on the first calendar day of each month) at the end of the reporting period:

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Age		
0 – 90 days	**4**	241

No credit period was granted to tenants of rental of premises.

12. OTHER PAYABLES AND RENTAL DEPOSITS RECEIVED

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Accrued expenses	**1,952**	2,915
Rental deposits received	**8,183**	7,055
Other payables	**33**	37
	10,168	10,007

13. SHARE CAPITAL

	Number of shares	Amount in	Shown in the condensed consolidated financial statements
		HK$	*HK$'000*
Ordinary shares			
Authorized:			
At 30 June 2014, 31 December 2014 and 30 June 2015 (HK$0.01 each)	1,000,000,000	10,000,000	
Issued and fully paid:			
At 30 June 2014, 31 December 2014 and 30 June 2015	386,175,758	3,861,757	3,862

There were no movements in the share capital of the Company for the six months ended 30 June 2015.

14. RELATED PARTIES TRANSACTIONS

Other than the transactions and balances with related parties disclosed in respective notes, during the six months ended 30 June 2014, the Group had leased certain of its properties to Morning Star Digital Connector Company Limited ("MS Digital Connector"), a wholly-owned subsidiary of Mega Medical Technology Limited (formerly known as Wing Tai Investment Holdings Limited and further formerly known as Wing Lee Holdings Limited) which was a substantial shareholder of the Company, and a rental income of HK$439,800 had been received for the six months ended 30 June 2014. As of 30 June 2014, the Group had rental deposits of HK$219,900 received from MS Digital Connector. Mega Medical Technology Limited ceased to hold any shares of the Company on 4 June 2014. The lease with MS Digital Connector was terminated on 30 June 2014.

For the six months ended 30 June 2015, the Group had no related party transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is engaged in the business of property investment, principally the leasing of commercial and residential properties in Hong Kong. As at 30 June 2015, not including an office and car park space for self use, the Group held an investment property portfolio consisting of 33 properties located in Hong Kong and one property located in the PRC.

The aggregate market value of the Group's investment properties held, as appraised by Shing Yin Appraisal Limited, an independent property valuer, amounted to approximately HK$1,116.1 million (31 December 2014: approximately HK$1,036.9 million) as at 30 June 2015.

For the six months ended 30 June 2015 (the "Period"), the Group's turnover mainly consisting of gross rental income from the Group's investment properties amounted to approximately HK$13.9 million (2014: HK$13.9 million). At the beginning of the Period, certain properties were vacant. Subsequently, all of the Group's investment properties were fully occupied as at 30 June 2015 and continued to maintain higher rental rates on renewal.

Our properties located at Shop No. C2D on Ground Floor of 141 Des Voeux Road Central and Ground Floor of 296 Lockhart Road, recorded the highest increases in fair value during the Period.

During the Period, a preliminary sale and purchase agreement was entered into on 26 May 2015 and a formal sale and purchase agreement was entered into on 8 June 2015 for the acquisition of a property located at Flat A, B & C, 1st Floor, Kam Tak Mansion, 88-90 Queen's Road East, Hong Kong at a consideration of approximately HK$11.2 million. The Group completed the acquisition of this property on 30 June 2015 and the cash consideration was financed by internal resources.

Save for the investment properties held by the Group, there was no other significant investment held during the period. The Group did not introduce or announce any new business or services.

PROSPECTS

Despite the Hong Kong government's efforts to continue to implement measures to cool the property market through increased stamp duties and tightening of mortgage loan requirements, the interest rate in Hong Kong remains low and the market has shown a slight increase in transactions and property prices. This is also reflected in the upward valuations of our investment properties.

The combined effects of Japan's weakened currency, the Occupy Central movement and anti-parallel import actions coupled with China's market instability and crackdown on anti-corruption has caused a decrease in mainland consumers travelling to and purchasing goods in Hong Kong ultimately adversely affecting rental rates of prime retail properties. Properties in decentralized areas were not as drastically affected and maintained steady growth in rent and property values.

It is expected that property transactions and prices will continue its trend of gradual increase but rental rates on renewal may taper to a more conservative increase.

The Group's investment properties are expected to continue to maintain high occupancy rates and contribute stable rental income.

The Group continues to focus on the holding of commercial and residential properties for long-term investment. The Group does not currently have any plans for any material investments or acquisitions of capital assets, however, the Group will continue to cautiously explore opportunities to further expand its investment portfolio and business development.

RESULTS

Our profit and total comprehensive income for the Period attributable to owners of the Company amounted to approximately HK$71.9 million (2014: HK$21.9 million), representing an increase of 228.3% as compared with the same period last year. The significant increase in profit for the first half of 2015 as compared with the corresponding period last year is principally affected by relatively greater net increase in fair values of the Group's investment properties of approximately HK$65.5 million in 2015 (2014: approximately HK$13.1 million) which reflect the general market conditions of the commercial retail and residential investment property market in Hong Kong during the Period.

Earnings per share for the six months ended 30 June 2015 was HK$0.186 (2014: HK$0.057), representing an increase of HK$0.129 from the corresponding period last year.

EVENT AFTER THE REPORTING PERIOD

The following event took place subsequent to 30 June 2015:

Acquisition

On 14 July 2015, Fortune Source Limited ("Fortune"), a wholly-owned subsidiary of the Company, entered into a formal sale and purchase agreement for the acquisition of a property located at 2nd Floor, 5 Ma Tau Kok Road, Kowloon at a consideration of approximately HK$6.2 million. The property is an investment property. An initial deposit of HK$200,000 in cash was paid by Fortune upon signing of the provisional sale and purchase agreement on 1 July 2015. A further deposit of approximately HK$420,000 in cash was paid by Fortune upon signing of the formal sale and purchase agreement on 14 July 2015. The balance of the consideration, being approximately HK$5.6 million will be paid in cash upon completion, which is scheduled to take place on or before 2 September 2015. The acquisition will be financed by internal resources.

FINANCIAL REVIEW

Liquidity and Capital Resources

As at 30 June 2015, the net current assets of the Group amounted to approximately HK$1.6 million (31 December 2014: approximately HK$20.3 million). The current ratio, expressed as current assets over current liabilities, was approximately 1.04 (31 December 2014: approximately 1.5). Total equity of the Group rose to approximately HK$1,068.1 million (31 December 2014: approximately HK$1,000.1 million).

Moreover, as at 30 June 2015, the bank deposits and cash of the Group were approximately HK$38.9 million (31 December 2014: approximately HK$56.6 million), which included fixed deposits of approximately HK$33.7 million (31 December 2014: approximately HK$49.4 million).

This decrease in the net current assets, bank deposits and cash of the Group was mainly due to the acquisition of the property located at Flat A, B & C, 1st Floor, Kam Tak Mansion, 88-90 Queen's Road East, Hong Kong, the completion of which took place on 30 June 2015, and the final dividend in respect of the year ended 31 December 2014 paid in cash in May 2015.

As at 30 June 2015, the carrying amount of our bank loans were approximately HK$89.0 million (31 December 2014: approximately HK$97.8 million). As at 30 June 2015, all of the bank loans were secured by mortgages over certain investment properties, leasehold land and building of the Group with an aggregate carrying amount of approximately HK$535.8 million (31 December 2014: approximately HK$515.0 million) and carry interest at HIBOR plus 0.70% to 2.25% per annum (31 December 2014: HIBOR plus 0.70% to 2.25% per annum). No additional bank loan was obtained by the Group during the Period. As at 30 June 2015 and 31 December 2014, our Group had no available unutilized bank loan facilities.

Of the total bank loans at 30 June 2015 approximately HK$27.0 million (or approximately 30.3%) was repayable within one year or on demand. Approximately HK$15.6 million (or approximately 17.5%) was repayable after one year but within two years. Approximately HK$40.3 million (or approximately 45.3%) was repayable after two years but within five years. Approximately HK$6.1 million (or approximately 6.9%) was repayable after five years.

Of the total bank loans at 31 December 2014, approximately HK$28.1 million (or approximately 28.7%) was repayable within one year or on demand. Approximately HK$15.5 million (or approximately 15.8%) was repayable after one year but within two years. Approximately HK$42.6 million (or approximately 43.6%) was repayable after two years but within five years. Approximately HK$11.6 million (or approximately 11.9%) was repayable after five years.

The Group's total debt to equity ratio, calculated as total borrowings (being the aggregate of total bank borrowings) of approximately HK$89.0 million (31 December 2014: approximately HK$97.8 million) divided by shareholder's equity of the Group of approximately HK$1,068.1 million (31 December 2014: approximately HK$1,000.1 million) was approximately 0.08 as at 30 June 2015 (31 December 2014: approximately 0.10).

Capital Expenditure

Capital expenditure incurred by the Group (representing acquisition of investment properties and property, plant and equipment) for the period ended 30 June 2015 was approximately HK$14.2 million (first half of 2014: nil). The Group anticipates that the funding required for future capital expenditure will be principally financed by cash generated from operations and bank borrowings, although the Group may consider raising additional funds as and when appropriate.

Capital Commitments

The Group had no material capital commitments as at 30 June 2015 and 31 December 2014.

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2015 and 31 December 2014.

Pledge of assets

Certain of the Group's investment properties with an aggregate carrying value of approximately HK$519.8 million as at 30 June 2015 (31 December 2014: approximately HK$498.7 million) have been pledged to secure banking facilities of the Group.

As at 30 June 2015, one of the Group's leasehold land and buildings with a carrying value of approximately HK$16.0 million (31 December 2014: HK$16.3 million) has been pledged to secure banking facilities of the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries and associated companies by the Company during the six months ended 30 June 2015 under review.

TREASURY POLICY

The Group principally operates in Hong Kong and the revenue, operating cost and borrowings were mainly denominated in Hong Kong dollars. As a result, the Group has minimal exposure to exchange rate fluctuation.

The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollars. Should the Board consider it appropriate, it may consider investing in debt securities and equity securities. The Group does not use any financial instruments for hedging purposes.

RISK MANAGEMENT

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organization and the external environment with active management participation and effective internal control procedures in the best interests of the Group and its shareholders.

HUMAN RESOURCES

As at 30 June 2015, the Group employed a total of eight employees (31 December 2014: eight employees) in Hong Kong. The Group recorded staff costs of approximately HK$3.0 million for the six months ended 30 June 2015 as compared to approximately HK$2.7 million for the corresponding period in 2014.

The Group has entered into employment contracts with all our employees to cover matters such as wages, benefits and grounds for termination. The Group's remuneration policies and packages are reviewed by the management on a regular basis. The Group grants discretionary bonuses to qualified employees based on operation results and individual performance. The Board may also make an offer of the grant of an option to subscribe for share(s) in the capital of the Company to any of our employees under our share option scheme.

INTERIM DIVIDENDS

A final dividend of HK$0.01 (2013: nil) per share, totalling HK$3,861,757.58 (2013: nil) in respect of the year ended 31 December 2014 was paid in May 2015. The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules as its own code of corporate governance. The Board considers that the Company was in compliance with all applicable code provisions set out in the CG Code during the six months ended 30 June 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its model code for securities transactions by the directors of the Company. Having made specific enquiry, all of the directors of the Company confirmed that they have complied with the Model Code during the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries redeemed, purchased or sold any of the Company's listed securities during the six months ended 30 June 2015. As at 30 June 2015, there were no outstanding redeemable securities of the Company.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises of three independent non-executive directors of the Company.

The audit committee has reviewed the unaudited interim results for the six months ended 30 June 2015 with the management of the Company.

APPRECIATION

On behalf of the Board, I would like to sincerely thank all of our shareholders, tenants, professional parties and employees for their efforts and continuous support.

By Order of the Board
Chau Choi Fa
Chairperson

Hong Kong, 10 August 2015

As at the date of this announcement, the Board comprises four executive directors, namely Ms. Chau Choi Fa, Ms. Wong Siu Wah, Ms. Wong Vivien Man-Li and Mr. Lui Siu Fung and three independent non-executive directors, namely Mr. Lam John Cheung-Wah, Dr. Tse Kwok Sang and Mr. Chui Chi Yun Robert.