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

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

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

### RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Wing Lee Property Investments Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2017 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2017*

| | *NOTES* | **2017** *HK$'000* | 2016 *HK$'000* |
|---|---|---|---|
| Revenue | 3 | **31,516** | 32,585 |
| Direct operating expenses | | **(3,012)** | (1,289) |
| | | **28,504** | 31,296 |
| Other income | 4 | **550** | 406 |
| Other gains or losses | | **(32)** | (2) |
| Net changes in fair value of investment properties | 10 | **34,413** | (7,627) |
| Administrative expenses | | **(10,133)** | (20,490) |
| Finance costs | 5 | **(849)** | (1,114) |
| Profit before taxation | 6 | **52,453** | 2,469 |
| Taxation | 7 | **(2,901)** | (3,527) |
| Profit (loss) and total comprehensive income (expense) for the year attributable to owners of the Company | | **49,552** | (1,058) |
| Earnings (loss) per share – basic and diluted | 9 | **HK cents 12.83** | HK cents (0.27) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AT 31 DECEMBER 2017*

| | NOTES | 2017 HK$'000 | 2016 HK$'000 |
|---|---|---|---|
| Non-current assets | | | |
| Investment properties | 10 | **1,077,399** | 1,047,366 |
| Property, plant and equipment | | **15,805** | 16,764 |
| Deposit paid for acquisition of an investment property | | **2,555** | – |
| | | **1,095,759** | 1,064,130 |
| Current assets | | | |
| Rental and other receivables | 11 | **870** | 1,260 |
| Held for trading investments | | **382** | 1,410 |
| Tax recoverable | | **117** | 36 |
| Fixed deposits | | **35,014** | 32,295 |
| Bank balances and cash | | **4,725** | 6,626 |
| | | **41,108** | 41,627 |
| Current liabilities | | | |
| Other payables and rental deposits received | 12 | **14,722** | 11,295 |
| Taxation payable | | **31** | 556 |
| Bank loans – due within one year | | **19,648** | 22,848 |
| Obligations under a finance lease | | **–** | 112 |
| | | **34,401** | 34,811 |
| Net current assets | | **6,707** | 6,816 |
| Total assets less current liabilities | | **1,102,466** | 1,070,946 |
| Non-current liabilities | | | |
| Bank loans – due after one year | | **21,491** | 35,551 |
| Obligations under a finance lease | | **–** | 228 |
| Deferred tax liabilities | | **6,384** | 6,266 |
| | | **27,875** | 42,045 |
| Net assets | | **1,074,591** | 1,028,901 |
| Capital and reserves | | | |
| Share capital | | **3,862** | 3,862 |
| Reserves | | **1,070,729** | 1,025,039 |
| Total equity | | **1,074,591** | 1,028,901 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 DECEMBER 2017*

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

### General Information

Wing Lee Property Investments Limited (the "Company") was incorporated and registered as an exempted company with limited liability in Bermuda under the Companies Act 1981 of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate holding company and ultimate holding company is Bright Asia Holdings Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party is Mr. Chow Tak Hung, who is the spouse of Ms. Chau Choi Fa (an executive director of the Company). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company and its subsidiaries are principally engaged in property investment. The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") which is also the functional currency of the Company.

### Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and held for trading investments which are measured at fair values at the end of each reporting period.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

**Amendments to HKFRSs that are mandatory effective for the current year**

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

| | |
|---|---|
| Amendments to HKAS 7 | Disclosure Initiative |
| Amendments to HKAS 12 | Recognition of Deferred Tax Assets for Unrealised Losses |
| Amendments to HKFRS 12 | As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle |

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**New and revised HKFRSs in issue but not yet effective**

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

| | |
|---|---|
| HKFRS 9 | Financial Instruments[1] |
| HKFRS 15 | Revenue from Contracts with Customers and the related Amendments[1] |
| HKFRS 16 | Leases[2] |
| HKFRS 17 | Insurance Contracts[4] |
| HK(IFRIC) – Int 22 | Foreign Currency Transactions and Advance Consideration[1] |
| HK(IFRIC) – Int 23 | Uncertainty over Income Tax Treatments[2] |
| Amendments to HKFRS 2 | Classification and Measurement of Share-based Payment Transactions[1] |
| Amendments to HKFRS 4 | Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1] |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation[2] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3] |
| Amendments to HKAS 28 | Long-term Interests in Associates and Joint Ventures[2] |
| Amendments to HKAS 28 | As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle[1] |
| Amendments to HKAS 40 | Transfers of Investment Property[1] |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2015-2017 Cycle[2] |

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual periods beginning on or after 1 January 2021

Except for the new and amendments to HKFRSs and interpretations mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

## 3. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on property 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"), being the chief operating decision maker. 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.

Revenue represents the rental income received from operating leases.

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

| | **Revenue from external customers** | |
|---|---|---|
| | **2017** | 2016 |
| | ***HK$'000*** | *HK$'000* |
| **Hong Kong** | | |
| Hong Kong Island: | | |
| Commercial | **18,878** | 19,664 |
| Residential | **536** | 1,165 |
| Kowloon: | | |
| Commercial | **5,888** | 5,724 |
| Residential | **3,002** | 2,936 |
| Industrial | **2,727** | 2,674 |
| **PRC** | | |
| Shenzhen: | | |
| Commercial | **485** | 422 |
| | **31,516** | 32,585 |

During the years ended 31 December 2017 and 2016, no individual customer contributed over 10% of the total revenue of the Group.

## 4. OTHER INCOME

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interest income | **385** | 143 |
| Scrip dividend income from held for trading investments | **92** | 70 |
| Cash dividend income from held for trading investments | **–** | 16 |
| Others | **73** | 177 |
| | **550** | 406 |

## 5. FINANCE COSTS

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interests on bank loans | **830** | 1,097 |
| Interests on obligations under a finance lease | **19** | 17 |
| | **849** | 1,114 |

## 6. PROFIT BEFORE TAXATION

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Profit before taxation has been arrived at after charging: | | |
| Directors' emoluments | **4,208** | 14,641 |
| Other staff costs | **1,869** | 1,819 |
| Other staff's retirement benefits scheme contributions | **60** | 60 |
| Total staff costs | **6,137** | 16,520 |
| Allowance for doubtful debt (included in other gains or losses) | **487** | – |
| Auditor's remuneration | **560** | 520 |
| Depreciation of property, plant and equipment | **712** | 712 |
| Net exchange loss (included in other gains or losses) | **11** | 22 |
| and after crediting: | | |
| Fair value changes of held for trading investments (included in other gains or losses) | **411** | 19 |

## 7. TAXATION

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| The charge comprises: | | |
| Hong Kong Profits Tax: | | |
| Current year | **2,791** | 2,898 |
| Overprovision in prior years | **(54)** | (44) |
| | **2,737** | 2,854 |
| PRC Enterprise Income Tax | **46** | 40 |
| | **2,783** | 2,894 |
| Deferred taxation charge | **118** | 633 |
| | **2,901** | 3,527 |

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

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. A group entity earns rental income derived from a property located in the PRC and is subject to PRC income tax calculated at 10% of the gross rental income received in the PRC.

## 8. DIVIDENDS

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Dividends for ordinary shareholders of the Group recognised as distribution during the year: | | |
| Final dividend paid – HK$0.01 per share paid for 2016 (2016: nil) | **3,862** | – |

No dividend was paid or proposed for ordinary shareholders of the Company during 2016. Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2017 of HK$0.02 (2016: final dividend in respect of the year ended 31 December 2016 of HK$0.01) per ordinary share in an aggregate amount of HK$7,724,000 (2016: HK$3,862,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

## 9. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Earnings (loss) | | |
| Profit (loss) for year attributable to the owners of the Company for the purpose of basic earnings (loss) per share | **49,552** | (1,058) |

| | **2017** | 2016 |
|---|---|---|
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share | **386,175,758** | 386,175,758 |

For the year ended 31 December 2016, the diluted loss per share was the same as the basic loss per share as the computation of the diluted loss does not assume the exercise of the Company's share options because the assumed exercise would result in a decrease in loss per share.

For the year ended 31 December 2017, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares.

## 10. INVESTMENT PROPERTIES

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| FAIR VALUE | | |
| At beginning of the year | **1,047,366** | 1,072,493 |
| Disposal | **(4,380)** | (17,500) |
| Net increase (decrease) in fair value | **34,413** | (7,627) |
| At end of the year | **1,077,399** | 1,047,366 |
| Unrealised gain (loss) on investment properties revaluation included in profit or loss (included in net changes in fair value of investment properties) | **33,803** | (7,627) |

## 11. RENTAL AND OTHER RECEIVABLES

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Rental receivables, net | **100** | 644 |
| Other receivables, deposits and prepayments | **770** | 616 |
| | **870** | 1,260 |

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:

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Age | | |
| 0 – 90 days | **100** | 157 |
| 181 – 365 days | **–** | 487 |
| | **100** | 644 |

No credit period was granted to tenants of rental of premises. Before accepting any new tenants, the Group will internally assess the credit quality of the potential tenants. As at 31 December 2017, the rental receivables from tenants, net of allowance for doubtful debt, amounted to HK$100,000 (2016: HK$644,000). Included in the rental receivables, HK$100,000 (2016: HK$644,000) were past due for which the Group has not provided for impairment loss and all aged within 90 days (2016: 365 days). Based on historical experiences of the Group, these rental receivables past due but not impaired are generally recoverable. The Group does not hold any collateral over rental receivables.

## 12. OTHER PAYABLES AND RENTAL DEPOSITS RECEIVED

| | **2017** | 2016 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Accrued expenses | **6,221** | 3,007 |
| Rental deposits received | **8,467** | 8,255 |
| Other payables | **34** | 33 |
| | **14,722** | 11,295 |

## 13. RELATED PARTIES TRANSACTIONS

During the year ended 31 December 2016, the Group disposed of an investment property to the son of an executive director of the Company at a consideration of HK$17,500,000, which was the same as the carrying value of the investment property and the fair value on the basis of a valuation carried out by RHL at the time of disposal.

The remuneration of directors during the year was determined by the remuneration committee having regard to the performance of the individuals and market trends.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group continued to engage in its business of leasing completed commercial and residential properties in Hong Kong.

The foundation of the Group's business is our investment properties. There was an increase of approximately HK$30.0 million in the aggregate market value of the Group's investment properties portfolio compared to 2016, bringing the aggregate market value of the Group's investment properties to approximately HK$1,077.4 million as at 31 December 2017. This increase was mainly due to the increase in net changes in fair value of the investment properties of approximately HK$34.4 million. There was also a disposal of one residential property in 2017 at a carrying value of approximately HK$4.4 million which was the same as the consideration and hence the Group did not record any gain on the disposal.

The Group's main source of income is rental generated from the Group's investment properties. The rental income was approximately HK$31.5 million for the year ended 31 December 2017, representing a slight decrease of approximately 3.3% as compared to 2016. The slight decrease was mainly due to the loss of rental income from two disposed residential properties in 2016 and 2017.

The Group's profit and total comprehensive income attributable to the owners of the Company for 2017 was approximately HK$49.6 million, whereas the Company recorded a loss and total comprehensive expense in 2016 of approximately HK$1.1 million. This was mainly attributable to an increase in net changes in fair value of the Group's investment properties in 2017 of approximately HK$34.4 million, while a decrease in fair value of approximately HK$7.6 million was recorded in 2016. In addition, the Company recorded share-based payment expenses of approximately HK$7.8 million during the year ended 31 December 2016 in respect of its grant of share options in December 2016, whilst there was no such expense in 2017.

### PROSPECTS

Despite the uncertainty of the global financial markets due to various adverse circumstances such as terrorism in Europe, nuclear threats by North Korea, economic policy changes in the US, the Group is optimistic that the current administration of the HKSAR Government will lead Hong Kong to create economic stability with the support of recent PRC Government initiatives supporting financial market stability.

The last quarter of 2017 showed improvement in the property retail sector with improved number of tourists. However, many of the Group's investment retail properties are located in areas that are not highly affected by tourism. Local domestic consumption remains steady and supports many of our tenants' businesses. As the Group's commercial properties entails different retail industries, the Group was able to stabilise rent on renewals and new leases of properties.

The Group will endeavour to maintain current rental levels with our tenants. It is anticipated that the property market will remain stable for the foreseeable future. Subject to market conditions, the Group anticipates that the properties in the Group's portfolio will continue to provide the Group with stable rental income and maintain high occupancy rates.

Most of the Group's current bank borrowings will be fully paid off within the next three years which will result in a decrease in finance costs and further improving the Group's gearing ratio.

Currently, the Group does not have plans for any material investments or acquisitions of capital assets. Due to market uncertainties, the Group will continue to maintain a conservative treasury policy.

The Group will continue to cautiously explore and expand its investment portfolio and may look beyond the Hong Kong region for investment opportunities in efforts to maintain competitiveness.

## OPERATIONS

The Group is engaged in the business of property investment, principally the leasing of completed commercial and residential properties in Hong Kong. As at 31 December 2017, the Group held an investment property portfolio of 34 properties located in Hong Kong and one property located in the People's Republic of China ("the PRC").

During the year, the Group disposed one residential property located at Lockhart Road with a carrying value of HK$4.4 million at the time of disposal at a consideration which was the same as the carrying value. Therefore, the Group did not record any gain on disposal for the disposal.

The Group did not introduce or announce any new business or services for the year ended 31 December 2017.

## RESULTS

Our profit and total comprehensive income for the year attributable to owners of the Company for 2017 was approximately HK$49.6 million (2016: approximately HK$1.1 million loss and total comprehensive expense), representing a change from loss to profit as compared to 2016. Such increase was mainly attributable to an increase in fair value of the Group's investment properties. In addition, the Company recorded share-based payment expenses of approximately HK$7.8 million during the year ended 31 December 2016 in respect of its grant of share options in December 2016, whilst there was no such expense in the current year.

Earnings per share for 2017 was HK$0.1283 (2016: loss per share of HK$0.0027), representing an increase of earnings of HK$0.1310 from last year.

## FINANCIAL REVIEW

### Liquidity and Capital Resources

As at 31 December 2017, the net current assets of the Group amounted to approximately HK$6.7 million. As at 31 December 2016, the net current asset of the Group amounted to approximately HK$6.8 million. The current ratio, expressed as current assets over current liabilities, remained stable and was approximately 1.20 (31 December 2016: approximately 1.20).

Total equity of the Group was approximately HK$1,074.6 million (31 December 2016: approximately HK$1,028.9 million), representing an increase of approximately HK$45.7 million from the previous year-end.

Bank deposits and cash of the Group as at 31 December 2017 were approximately HK$39.7 million (2016: approximately HK$38.9 million), which included fixed deposits of approximately HK$35.0 million (2016: approximately HK$32.3 million). The increase in the Group's bank deposits and cash were mainly attributable to the disposal of one investment property by the Group during the year.

As at 31 December 2017, the carrying amount of our bank loans was approximately HK$41.1 million (2016: approximately HK$58.4 million). As at 31 December 2017, all of the bank loans were secured by mortgages over certain investment properties and property, plant and equipment of the Group with carrying amounts of approximately HK$512.0 million (2016: approximately HK$501.4 million) and carry interest at HIBOR plus 0.70% to 2.25% per annum (2016: HIBOR plus 0.70% to 2.25% per annum). As at 31 December 2017, the Group had no available unutilised bank loan facilities (2016: approximately HK$30 million).

Of the total bank loans as at 31 December 2017, approximately HK$19.6 million (or approximately 47.8%) was repayable within one year or on demand. Approximately HK$11.3 million (or approximately 27.4%) was repayable after one year but within two years. Approximately HK$9.8 million (or approximately 23.7%) was repayable after two years but within five years. Approximately HK$0.4 million (or approximately 1.1%) was repayable after five years.

Of the total bank loans as at 31 December 2016, approximately HK$22.8 million (or approximately 39.1%) was repayable within one year or on demand. Approximately HK$14.1 million (or approximately 24.1%) was repayable after one year but within two years. Approximately HK$19.9 million (or approximately 34.1%) was repayable after two years but within five years. Approximately HK$1.6 million (or approximately 2.7%) was repayable after five years.

The Group's total debt to equity ratio, calculated as total borrowings of approximately HK$41.1 million (31 December 2016: approximately HK$58.4 million) divided by shareholder's equity of the Group of approximately HK$1,074.6 million (31 December 2016: approximately HK$1,028.9 million) was approximately 0.04 as at 31 December 2017 (31 December 2016: approximately 0.06). The decrease was mainly due to repayment of bank loans in 2017.

**Capital Expenditure**

Capital expenditure incurred by our Group (representing acquisition of investment properties and property, plant and equipment) for the year ended 31 December 2017 was nil (2016: nil). In December 2017, the Group entered into a binding agreement for the acquisition of one investment property located at Ground Floor, No 20 Lok Kwan Street, Kowloon, which is scheduled to be completed on or before 5 March 2018, the deposit paid for the acquisition of this investment property is HK$2.6 million (2016: 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**

As at 31 December 2017, the Group had a total capital commitment of approximately HK$13.1 million (2016: nil), contracted for but not provided for in the financial statements in respect of acquisition of one investment property.

**Contingent liabilities**

The Group had no significant contingent liabilities as at 31 December 2017 and 31 December 2016.

**Pledge of assets**

As at 31 December 2017, certain of the Group's investment properties with a carrying value of approximately HK$497.2 million (2016: approximately HK$486.1 million) have been pledged to secure bank loans of the Group.

As at 31 December 2017, one of the Group's leasehold land and buildings with a carrying value of approximately HK$14.8 million (2016: approximately HK$15.3 million) has been pledged to secure a bank loan of the Group.

As at 31 December 2017, the Group did not have any finance lease (2016: carrying value of approximately HK$357,000) as the motor vehicle held under finance lease was disposed in 2017, and the finance lease was fully repaid.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries and associated companies by the Company during the year ended 31 December 2017.

## TREASURY POLICIES

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. The Group does not use any financial instruments for hedging purpose.

## RISK MANAGEMENT

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

## HUMAN RESOURCES

As at 31 December 2017, the Group had 7 employees (2016: 8 employees) in Hong Kong. The Group recorded staff costs of approximately HK$6.1 million for the year ended 31 December 2017 (2016: approximately HK$16.5 million).

All of our employees have employment contracts that 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.

Share options were granted in 2016 resulting in recording of share-based payment expenses of approximately HK$7.8 million whilst no such expenses were recorded in 2017 as no new share options were granted in current year.

## FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK$0.02 per share for the year ended 31 December 2017 to Shareholders whose names appear on the register of members of the Company on 6 April 2018 (Friday), subject to shareholders' approval at the forthcoming annual general meeting. The proposed final dividend, if approved, is to be payable on or before 21 May 2018 (Monday).

## CLOSURE OF REGISTER OF MEMBERS

To ascertain the shareholders' entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from 19 March 2018 (Monday) to 27 March 2018 (Tuesday), both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfers of shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 16 March 2018 (Friday).

Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, the proposed final dividend will be payable to the shareholders whose names appear on the register of members of the Company on 6 April 2018 (Friday). To ascertain the entitlement of the shareholders to the proposed final dividend, the register of members of the Company will be closed from 4 April 2018 (Wednesday) to 6 April 2018 (Friday) both days inclusive, during which period no transfers of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 3 April 2018 (Tuesday). The ex-dividend date will be 29 March 2018 (Thursday).

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries redeemed, purchased or cancelled any redeemable securities or listed securities during the year ended 31 December 2017. As at 31 December 2017, there were no outstanding redeemable securities of the Company.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (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 year ended 31 December 2017.

## COMPLIANCE WITH MODEL CODE

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 Directors. Having made specific enquiries, all the Directors confirmed that they have complied with the Model Code during the year ended 31 December 2017.

## AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management and discussed auditing, internal control and financial reporting matters including the financial results of the Group for the year ended 31 December 2017.

## SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website (http://www.wingleeproperties.com) and the Stock Exchange's website (http://www.hkexnews.hk). The 2017 annual report will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course in accordance with the Listing Rules.

## APPRECIATION

On behalf of the Board, I would like to thank all of our shareholders, tenants and professional parties for their continued support and I would also like to extend my sincere gratitude to all of our colleagues for their efforts and contributions to the Company.

By Order of the Board of
**Wing Lee Property Investments Limited**
**Chau Choi Fa**
*Chairperson*

Hong Kong, 9 February 2018

*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.*

* *for identification purposes only*