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WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 289)

**PROFIT WARNING
FOR THE YEAR ENDED 31 DECEMBER 2019**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Board would like to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts for the year ended 31 December 2019 currently available to the management, the Group expects to record a decrease of approximately 55% in the amount of profit attributable to shareholders for the year ended 31 December 2019 as compared to that for the corresponding period in 2018.

However, the Group's underlying profit attributable to shareholders, which excludes net valuation gain on the Group's investment properties and related deferred tax thereon, for the year ended 31 December 2019 is expected to be better than that for the corresponding period in 2018 by approximately 48%.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Wing On Company International Limited ("the **Company**" together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") would like to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group's unaudited consolidated management accounts for the year ended 31 December 2019, the Group expects to record a decrease of approximately 55% in the amount of profit attributable to shareholders for the year ended 31 December 2019 as compared to that for the corresponding period in 2018. Such substantial decrease is mainly attributable to the decrease in the net valuation gain on the Group's investment properties for the year ended 31 December 2019 as compared to that for the corresponding period in 2018.

However, the Group's underlying profit attributable to shareholders, which excludes net valuation gain on the Group's investment properties and related deferred tax thereon, for the year ended 31 December 2019 is expected to be better than that for the corresponding period in 2018 by approximately 48%.

The Directors believe that the expected net increase in the Group's underlying profit attributable to shareholders for the year is primarily due to the following:

(1) Department Store operations

Despite the unseasonably warm weather in the first quarter of 2019 which affected the sales of winter goods and the disruption to business brought on by the large scale social unrest and disturbances in the second half of 2019, the Group's department store operations still managed to generate about HK\$35.0 million operating profit as compared to HK\$97.9 million for the year ended 31 December 2018.

(2) Property Investments

The Group's property income is expected to be approximately HK\$507.0 million as compared to HK\$461.4 million for the year ended 31 December 2018.

(3) Investment in trading securities and derivative financial instruments

The gain from investment in trading securities and derivative financial instruments is expected to be approximately HK\$112.0 million as compared to a loss of HK\$74.1 million for the year ended 31 December 2018.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2019 and expects to release its annual results announcement for the year ended 31 December 2019 in late March 2020. The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group up to 31 December 2019, which is not based on any figures or information which have been confirmed or reviewed by the Company's auditor.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Karl C. Kwok
Chairman

Hong Kong, 30 January 2020

As at the date of this announcement, the executive directors of the Company are Mr. Karl C. Kwok (Chairman), Mr. Lester Kwok (Deputy Chairman and Chief Executive Officer) and Mr. Mark Kwok, the non-executive director is Dr. Bill Kwok, and the independent non-executive directors are Miss Maria Tam Wai Chu, Mr. Iain Ferguson Bruce, Mr. Leung Wing Ning and Mr. Nicholas James Debnam.