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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 2019

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 referred to as the "**Group**") for the year ended 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	**2019** *HK$'000*	2018 *HK$'000*
Revenue	3	**33,209**	32,335
Direct operating expenses		**(974)**	(922)
		32,235	31,413
Other income	4	**346**	450
Other gains or losses		**(20)**	133
Net changes in fair value of investment properties	10	**(107,212)**	2,150
Administrative expenses		**(9,561)**	(9,599)
Finance costs	5	**(2,641)**	(1,669)
(Loss) profit before taxation	6	**(86,853)**	22,878
Taxation	7	**(3,228)**	(3,431)
(Loss) profit for the year		**(90,081)**	19,447
Other comprehensive (expense) income for the year			
Item that will not be reclassified subsequently to profit or loss:			
Fair value (loss) gain of investment in equity instrument designated at fair value through other comprehensive income		**(6,392)**	147
Total comprehensive (expense) income for the year		**(96,473)**	19,594
(Loss) earnings per share - basic and diluted	9	**HK cents (23.33)**	HK cents 5.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2019

	NOTES	**2019** **HK$'000**	2018 HK$'000
Non-current assets			
Investment properties	10	**1,015,120**	1,116,866
Property, plant and equipment		**13,782**	14,283
Investment in equity instrument designated at fair value through other comprehensive income		**38,755**	45,147
		1,067,657	1,176,296
Current assets			
Rental and other receivables	11	**1,165**	806
Investment in equity instruments at fair value through profit or loss		**–**	325
Tax recoverable		**–**	6
Short-term bank deposit		**–**	348
Fixed bank deposits		**–**	246
Bank balances and cash		**8,473**	6,270
		9,638	8,001
Current liabilities			
Other payables and rental deposits received	12	**14,130**	14,361
Taxation payable		**3,519**	550
Bank loans – due within one year		**19,777**	16,552
		37,426	31,463
Net current liabilities		**(27,788)**	(23,462)
Total assets less current liabilities		**1,039,869**	1,152,834
Non-current liabilities			
Bank loans – due after one year		**50,354**	59,338
Deferred tax liabilities		**6,789**	6,573
		57,143	65,911
Net assets		**982,726**	1,086,923
Capital and reserves			
Share capital		**3,862**	3,862
Reserves		**978,864**	1,083,061
Total equity		**982,726**	1,086,923

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND BASIS OF PREPARATION

General Information

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 Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and office J, 11/F, King Palace Plaza, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong respectively.

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, investment in equity instrument designated at fair value through other comprehensive income and investment in equity instruments at fair value through profit or loss ("**FVTPL**") which are measured at fair values at the end of each reporting period.

In preparing the consolidated financial statements, the directors of the Company have given due and careful consideration to the future liquidity of the Group in light of the Group's net current liabilities position of HK$27,788,000 as at 31 December 2019. As at 31 December 2019, the Group obtained a bank facility of HK$50,000,000 with an unutilised amount of HK$40,000,000.

Having considered the above available undrawn bank facility and the estimated cash flows generated from the Group's operations, the directors of the Company are satisfied that the Group will have sufficient working capital for its present requirements for the foreseeable future. On this basis, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

New and Amendments to HKFRSs that are mandatory effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle

In addition, the Group has early applied Amendments to HKFRS 3 Definition of a Business which will be mandatorily effective for the Group for business combinations and asset acquisitions for which the acquisition is on or after 1 January 2020.

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

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases ("**HKAS 17**"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

(a) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight line basis over the extended lease term.

(b) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied under other payables and rental deposits received. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition.

The application of HKFRS 16 has had no significant impact on the amounts reported and/or disclosures set out in these consolidated financial statements.

New and Amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 1 and HKAS 8	Definition of Material[3]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[3]

[1] Effective for annual periods beginning on or after 1 January 2021

[2] Effective for annual periods beginning on or after a date to be determined

[3] Effective for annual periods beginning on or after 1 January 2020

The directors of the Company anticipate that the application of some of these new and amendments to HKFRSs may have effect on the Group's financial performance and positions and/or the disclosures set out in the consolidated financial statements.

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 which 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. 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	
	2019	2018
	HK$'000	*HK$'000*
Hong Kong		
Hong Kong Island:		
Commercial	**19,673**	18,776
Residential	**–**	384
Kowloon:		
Commercial	**6,952**	6,594
Residential	**3,341**	3,244
Industrial	**2,700**	2,796
PRC		
Shenzhen:		
Commercial	**543**	541
	33,209	32,335

During the years ended 31 December 2019 and 2018, no individual customer contributed over 10% of the total revenue of the Group.

4. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Interest income	**68**	203
Dividend income from investment in equity instruments at FVTPL	**8**	18
Gain on disposal of investment in equity instruments at FVTPL	**10**	–
Others	**260**	229
	346	450

5. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interests on bank loans	**2,641**	1,669

6. (LOSS) PROFIT BEFORE TAXATION

	2019	2018
	HK$'000	*HK$'000*
(Loss) profit before taxation has been arrived at after charging:		
Directors' emoluments	**3,943**	4,099
Other staff costs	**1,614**	1,693
Other staff's retirement benefits scheme contributions	**48**	50
Total staff costs	**5,605**	5,842
Auditor's remuneration	**820**	700
Depreciation of property, plant and equipment	**501**	534
Net exchange loss (included in other gains or losses)	**20**	37
Fair value changes for investment in equity instruments at FVTPL (included in other gains or losses)	**–**	75
and after crediting:		
Reversal of allowance for doubtful debts (included in other gains or losses)	**–**	245

7. TAXATION

	2019	2018
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax:		
Current year	**3,121**	3,233
Overprovision in prior years	**(158)**	(42)
	2,963	3,191
PRC Enterprise Income Tax	**49**	51
	3,012	3,242
Deferred taxation charge	**216**	189
	3,228	3,431

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly Hong Kong Profits Tax is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000.

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

	2019	2018
	HK$'000	*HK$'000*
Dividends for ordinary shareholders of the Group recognised as distribution during the year:		
Final dividend paid – HK$0.02 per share paid for 2018 (2018: HK$0.02 per share for 2017)	**7,724**	7,724

During the year ended 31 December 2019, a final dividend in respect of the year ended 31 December 2018 of HK$0.02 per ordinary share in an aggregate amount of HK$7,724,000 has been proposed and paid. There is no dividend proposed by the directors of the Company subsequent to the end of the reporting period.

9. (LOSS) EARNINGS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
(Loss) earnings		
(Loss) profit for year attributable to the owners of the Company for the purpose of calculating basic and diluted (loss) earnings per share	**(90,081)**	19,447

	2019	2018
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share	**386,175,758**	386,175,758

For the years ended 31 December 2019 and 31 December 2018, the computation of diluted (loss) 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

	2019	2018
	HK$'000	*HK$'000*
FAIR VALUE		
At beginning of the year	**1,116,866**	1,077,399
Additions	**5,466**	35,867
Transfer from property, plant and equipment (note)	**–**	1,450
Net changes in fair value	**(107,212)**	2,150
At end of the year	**1,015,120**	1,116,866

Note: In prior year, the amount included a revaluation surplus of HK$462,000 upon transfer of property, plant and equipment to investment properties which was credited to property revaluation reserve.

11. RENTAL AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Rental receivables	**419**	162
Other receivables, deposits and prepayments	**746**	644
	1,165	806

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:

	2019	2018
	HK$'000	*HK$'000*
Age		
0 – 90 days	**419**	162

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 2019, included in balance of the Group's rental receivables are receivables with an aggregate carrying amount of HK$419,000 (2018: HK$162,000), which is past due at the end of the reporting period for which the Group has not provided for impairment loss. The rental receivables which are past due but not impaired were either received with rental deposit or amounts due from receivables which do not have historical default of payments. The Group does not hold any collateral over these balances.

12. OTHER PAYABLES AND RENTAL DEPOSITS RECEIVED

	2019	2018
	HK$'000	*HK$'000*
Accrued expenses	**5,298**	5,171
Rental deposits received	**8,799**	9,066
Other payables	**33**	124
	14,130	14,361

13. RELATED PARTIES TRANSACTIONS

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

During the year ended 31 December 2019, the Group acquired an investment property of which a daughter of an Executive Director has interest in the property. The aggregate consideration of the property of approximately HK$5,466,000 comprises acquisition cost of the property of HK$4,200,000 and other directly attributable costs of approximately HK$1,266,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group continued to engage in its business of leasing completed commercial and residential properties in Hong Kong. As at 31 December 2019, the aggregate market value of the Group's investment properties was approximately HK$1,015,120,000, representing a decrease of approximately HK$101,746,000 as compared to 2018. This decrease was mainly due to a decrease in net changes in fair value of the investment properties of approximately HK$107,212,000, which was netted off with the Group's expansion of its investment property portfolio through the acquisition of one investment property located in Mong Kok, at an aggregate consideration of approximately HK$5,466,000.

The Group's main source of income is rental generated from the Group's investment properties. The rental income was approximately HK$33,209,000 for the year ended 31 December 2019, representing a slight increase of approximately 2.7% as compared to 2018. The slight increase was mainly due to full year effect of rent received from the two new properties acquired in 2018 and one new property acquired in 2019.

The Group's total comprehensive expense attributable to the owners of the Company for 2019 was approximately HK$96,473,000, whereas the Company recorded a total comprehensive income in 2018 of approximately HK$19,594,000. This was mainly attributable to a net decrease in fair value of the Group's investment properties in 2019 of approximately HK$107,212,000, while an increase in fair value of approximately HK$2,150,000 was recorded in 2018. As the net decrease in fair values of the Group's investment properties is a non-cash item and the business of the Group is long-term investment and leasing of properties, they do not have any material adverse effect on the operations of the Group.

PROSPECTS

Due to various factors including the continued trade dispute between the US and China as well as social unrest in Hong Kong during the second half of 2019, Hong Kong's economy experienced negative growth and the property market was adversely affected. As we enter 2020, the outbreak of coronavirus disease (COVID-19) together with the challenges posed by the social unrest in Hong Kong in the past months mean a double blow to the Hong Kong economy and further contribute to a downward trend in the Hong Kong property market. Despite the above uncertainties, the Group remains cautiously optimistic about the Hong Kong property market due to Hong Kong's firm economic base.

Looking ahead to 2020, it is anticipated that rental income of the Group in the coming year is likely to be adversely affected. Fortunately, up to now, the Group's portfolio continues to maintain high occupancy rates. To maintain occupancy rates, the Group will closely monitor economic developments and property market changes and make rental policy adjustments accordingly.

In the Group's efforts to maintain competitiveness and ensure shareholder returns, the Group has been cautiously exploring opportunities to diversify its business beyond the rental property market. The Group hopes to gain property redevelopment experience from its investment in a fund that is engaged in a property redevelopment project in Kwun Tong, Kowloon back in 2018. The Group is optimistic about the potential redevelopment and appreciation in value of the relevant property following the redevelopment and believes that the investment in the aforesaid fund will bring positive returns to the Group in the long run.

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 2019, the Group held an investment property portfolio of 38 properties located in Hong Kong and one property located in the People's Republic of China (the "**PRC**").

During the year ended 31 December 2019, the Group expanded its investment property portfolio and completed the acquisition of one investment property located in Mong Kok, at an aggregate consideration of approximately HK$5,466,000. This property is located within close proximity to some of the Group's existing investment properties. The Group continues to hold an investment portfolio in 2019, through a 10% investment in Epic Capital Development Fund I, L.P. (the "**Fund**"), an exempted limited partnership established in the Cayman Islands that is engaged in a property redevelopment project in No. 32 Hung To Road, Kwun Tong, Kowloon. The consideration paid for these acquisitions was financed by the Group's internal funds and bank borrowings.

The Group did not introduce or announce any new business or services for the year ended 31 December 2019.

RESULTS

Our total comprehensive expense for the year attributable to owners of the Company for 2019 was approximately HK$96,473,000 (2018: approximately HK$19,594,000 total comprehensive income), representing a change from profit to loss as compared to 2018. Such decrease was mainly attributable to a decrease in the net changes in fair value of the Group's investment properties.

Loss per share for 2019 was HK$0.2333 (2018: earnings per share of HK$0.0504), representing a decrease of earnings of HK$0.2837 per share from last year.

FINANCIAL REVIEW

Liquidity and Capital Resources

As at 31 December 2019, the net current liabilities of the Group amounted to approximately HK$27,788,000 (31 December 2018: approximately HK$23,462,000). The current ratio, expressed as current assets over current liabilities, was approximately 0.26 (31 December 2018: approximately 0.25).

Net current liabilities was generated as the Group expanded its investment property portfolio during the year ended 31 December 2019. Acquisition of the investment property located in Mong Kok during the year resulted in an additional cash outflow from investing activities as consideration paid for this acquisition was financed by the Group's internal funds. After taking into account the available banking facilities as at the reporting date, and the estimated cash flows generated from the Group's operations, the directors of the Company are satisfied that the Group will have sufficient working capital for its present requirements for the foreseeable future. As such, the management believes that the Group is well positioned with sufficient operating funds to manage its existing operations and investment plans.

As at 31 December 2019, the total equity of the Group was approximately HK$982,726,000 (31 December 2018: approximately HK$1,086,923,000), representing a decrease of approximately HK$104,197,000 from the previous year-end.

Bank deposits and cash of the Group as at 31 December 2019 were approximately HK$8,473,000 (31 December 2018: approximately HK$6,864,000). As at 31 December 2019, the Group had neither short-term bank deposits nor fixed bank deposits (31 December 2018: approximately HK$594,000). The increase in the Group's bank deposits and cash and current ratio were mainly attributable to a new bank loan of HK$10,000,000 raised during the year which was netted off with the use of funds in connection with the acquisition of one investment property during the year.

As at 31 December 2019, the carrying amount of our bank loans was approximately HK$70,131,000 (31 December 2018: approximately HK$75,890,000). As at 31 December 2019, 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$498,882,000 (31 December 2018: approximately HK$546,543,000) and carry interest at HIBOR plus 0.70% to 1.95% per annum (31 December 2018: HIBOR plus 0.70% to 1.95% per annum). As at 31 December 2019, the Group had unutilised bank loan facilities of HK$40,000,000 (31 December 2018: HK$50,000,000).

Of the total bank loans as at 31 December 2019, approximately HK$19,777,000 (or approximately 28.2%) was repayable within one year or on demand. Approximately HK$29,733,000 (or approximately 42.4%) was repayable after one year but within two years. Approximately HK$20,621,000 (or approximately 29.4%) was repayable after two years but within five years. None was repayable after five years.

Of the total bank loans as at 31 December 2018, approximately HK$16,552,000 (or approximately 21.8%) was repayable within one year or on demand. Approximately HK$8,979,000 (or approximately 11.8%) was repayable after one year but within two years. Approximately HK$50,359,000 (or approximately 66.4%) was repayable after two years but within five years. None was repayable after five years.

The Group's total debt to equity ratio, calculated as total borrowings of approximately HK$70,131,000 (31 December 2018: approximately HK$75,890,000) divided by shareholder's equity of the Group of approximately HK$982,726,000 (31 December 2018: approximately HK$1,086,923,000) was approximately 0.07 as at 31 December 2019 (31 December 2018: approximately 0.07). There was a new bank loan of HK$10,000,000 (2018: HK$52,245,000) raised for the purpose of financing the acquisition of a new investment property during the year which was netted with bank loan repayment made during the year, thus making the Group's total debt to equity ratio relatively stable.

Capital Expenditure

Capital expenditure incurred by our Group (representing acquisition of investment properties and property, plant and equipment) for the year ended 31 December 2019 was HK$5,466,000 (2018: approximately HK$80,867,000). In 2019, the Group expanded its investment property portfolio and completed the acquisition of one investment property located at 6th Floor, No. 658 Shanghai Street, Kowloon at an aggregate consideration of approximately HK$5,466,000. 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 2019 and 31 December 2018, the Group had a total capital commitment of approximately HK$40,000,000, contracted for but not provided for in the financial statements in respect of its investment in the Fund.

Contingent liabilities

The Group had no significant contingent liabilities as at 31 December 2019 and 31 December 2018.

Pledge of assets

As at 31 December 2019, certain of the Group's investment properties with a carrying value of approximately HK$485,100,000 (31 December 2018: approximately HK$532,260,000) have been pledged to secure bank loans of the Group.

As at 31 December 2019, one of the Group's leasehold land and buildings with a carrying value of approximately HK$13,782,000 (31 December 2018: approximately HK$14,283,000) has been pledged to secure a bank loan of the Group.

As at 31 December 2018 and 31 December 2019, the Group did not have any finance lease.

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 2019.

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 2019, the Group had 7 employees (31 December 2018: 7 employees) in Hong Kong. The Group recorded staff costs of approximately HK$5,605,000 for the year ended 31 December 2018 (2018: approximately HK$5,842,000).

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.

No new share options were granted in 2019 and 2018.

FINAL DIVIDEND

A final dividend for the year ended 31 December 2018 of HK$0.02 per share was paid in May 2019, totalling HK$7,723,515.16. The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: HK$0.02 per share).

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 18 March 2020 (Wednesday) to 27 March 2020 (Friday), 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 17 March 2020 (Tuesday).

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 2019. As at 31 December 2019, 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 2019.

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 2019.

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 2019.

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 2019 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 2019 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 extend my sincere gratitude to all of our shareholders, tenants and professional parties for their continued support and I would also like to thanks all of our colleagues and my fellow directors 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, 21 February 2020

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 Ms. Chow Woon Yin, 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*