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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)

PROFIT WARNING

The Board wishes to inform the shareholders and potential investors of the Company that the Group expects to record an increase in other comprehensive expenses for the year ended 31 December 2022 as compared with an increase in other comprehensive income for 2021. This is mainly attributable to a decrease in fair value of the Fund and the Fund Property in 2022.

Such unrealized valuation changes will not be reclassified to profit or loss, are non-cash items, and do not affect the Group's daily operations and cash flow. The total comprehensive expense for the year ended 31 December 2022 is expected to range from HK\$4 million to HK\$6 million, as compared with total comprehensive income of approximately HK\$61.1 million for 2021.

The profit for the year ended 31 December 2022 is expected to remain relatively stable as compared with that for the year ended 31 December 2021 at approximately HK\$17 million.

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

This announcement is made by Wing Lee Property Investments Limited (the “**Company**” and 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 and the provisions in Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) relating to disclosure of inside information.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that based on a preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2022 and a draft valuation report for the Group's Fund Property (as defined below) as at 31 December 2022 prepared by the Group's external valuer, the Group expects to record an increase in other comprehensive expenses for the year ended 31 December 2022 ranging from approximately HK\$21 million to HK\$23 million, as compared with an increase in other comprehensive income for 2021 of approximately HK\$43.7 million.

The Group has, since 2018, held 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 at No. 32 Hung To Road, Kwun Tong, Kowloon (the “**Fund Property**”).

In 2021, the Fund completed the lease modification of the Fund Property from industrial use to commercial use and as a result, there was a significant increase in the fair value of the Fund Property, thus increasing the fair value of the Fund. As a result of such increase in fair value of the Fund, for which election has been made to present such fair value changes in other comprehensive income, and which will not be reclassified to profit or loss, the Group recorded a significant increase in other comprehensive income of approximately HK\$43.7 million for the year ended 31 December 2021.

Based on information currently available to the Board, the Group is expected to record an increase in other comprehensive expense for the year ended 31 December 2022 ranging from HK\$21 million to HK\$23 million, arising from a decrease in the fair value of the Fund Property and the Fund as at 31 December 2022. Such decrease in fair value was mainly attributable to a general decrease in value of office properties in the Kwun Tong area in 2022 which reflected the disruptions caused by COVID-19.

The unrealised valuation changes referred to in this announcement will not be reclassified to profit or loss, are non-cash items, and do not affect the Group’s daily operations and cash flow. The total comprehensive expense for the year ended 31 December 2022 is expected to range from HK\$4 million to HK\$6 million, as compared with total comprehensive income of approximately HK\$61.1 million for 2021.

The profit for the year ended 31 December 2022 is expected to remain relatively stable as compared with that for the year ended 31 December 2021 at approximately HK\$17 million.

The Company is still in the process of finalising the results of the Group for the year ended 31 December 2022. The information contained in this announcement is only a preliminary assessment by the Board and is not based on any figures or information which have been audited or reviewed by the audit committee of the Company or the Company’s auditor.

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

By order of the Board of
Wing Lee Property Investments Limited
Ng Ho Yin Owen
Company Secretary

Hong Kong, 3 March 2023

As at the date of this announcement, the Board comprises of 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, Mr. Chui Chi Yun Robert and Mr. Lam Kwok Cheong.

* *for identification purposes only*