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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 a net loss for the year ended 31 December 2023 ranging from HK\$46 million to HK\$48 million as compared with a net profit recorded for 2022 of approximately HK\$17.6 million. This is mainly attributable to the fact that there is expected to be a net decrease in fair values of the Group's investment properties for the year ended 31 December 2023 as compared with a net increase for 2022.

The Group also expects to record other comprehensive expense for the year ended 31 December 2023 ranging from HK\$6 million to HK\$8 million, as compared with other comprehensive expense for 2022 of approximately HK\$22.2 million. This is mainly attributable to a decrease in fair value of the Fund and the Fund Property in 2023.

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 2023 is expected to range from HK\$53 million to HK\$55 million, as compared with total comprehensive expenses of approximately HK\$4.6 million for 2022.

**Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares 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 2023, a draft valuation report for the Group’s investment property portfolio as at 31 December 2023 and a draft valuation report for the Group’s Fund Property (as defined below) as at 31 December 2023 prepared by the Group’s external valuer, the Group expects to record a net loss for the year ended 31 December 2023 ranging from HK\$46 million to HK\$48 million as compared with a net profit recorded for 2022 of approximately HK\$17.6 million. This is mainly attributable to the fact that there is expected to be a net decrease in fair values of the Group’s investment properties for the year ended 31 December 2023 as compared with a net increase for 2022, which reflects the general market conditions of the commercial retail and residential investment property market in Hong Kong for the period under review. The net decrease in fair values of the Group’s investment properties for the year ended 31 December 2023 is expected to range from HK\$55 million to HK\$57 million (the net increase in fair values of the Group’s investment properties for the year ended 31 December 2022 was approximately HK\$5.1 million). Nevertheless, 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, the Board does not expect any material adverse effect on the operations of the Group. Without taking into account the impact of the aforesaid net decrease in fair values of the Group’s investment properties, the Group is expected to make a net profit for the year ended 31 December 2023, which is in line with that for 2022. However, such profit is not sufficient to make up for the difference between the net change in fair values of the Group’s investment properties for the year ended 31 December 2023 and that for 31 December 2022.

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**”).

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 2023 ranging from HK\$6 million to HK\$8 million, arising from a decrease in the fair value of the Fund Property and the Fund as at 31 December 2023. Such decrease in fair value was mainly attributable to a general decrease in value of office properties in the Kwun Tong area in 2023.

The unrealised valuation changes relating to the Fund and the Fund Property 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 2023 is expected to range from HK\$53 million to HK\$55 million, as compared with total comprehensive expense of approximately HK\$4.6 million for 2022.

The Company is in the process of finalising the results of the Group for the year ended 31 December 2023. 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 Company's auditor.

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

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

Hong Kong, 28 February 2024

*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*