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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 2024

### 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 2024, together with comparative figures for the year ended 31 December 2023, as follows:

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

*FOR THE YEAR ENDED 31 DECEMBER 2024*

	NOTE	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	3	<b>26,826</b>	27,787
Direct operating expenses		<u>(953)</u>	<u>(1,413)</u>
		<b>25,873</b>	26,374
Other income	4	<b>3,020</b>	1,907
Net change in fair value of investment properties	9	<b>(247,260)</b>	(56,670)
Administrative expenses		<b>(6,059)</b>	(10,270)
Impairment loss on lease receivables		<b>–</b>	(194)
Finance costs	5	<u><b>(7,717)</b></u>	<u>(6,330)</u>
<b>Loss before taxation</b>	5	<b>(232,143)</b>	(45,183)
Income tax	6	<u><b>(2,123)</b></u>	<u>(1,909)</u>
<b>Loss for the year</b>		<b>(234,266)</b>	(47,092)
<b>Other comprehensive expense for the year</b>			
Item that will not be reclassified subsequently to profit or loss:			
Equity investments at FVOCI-net movement in fair value reserves (non-recycling)	11	<u><b>(40,051)</b></u>	<u>(6,180)</u>
<b>Total comprehensive expense for the year</b>		<u><b>(274,317)</b></u>	<u>(53,272)</u>
		<b>HK cents</b>	<b>HK cents</b>
<b>Loss per share</b>	8		
– Basic		<b>(60.66)</b>	(12.19)
– Diluted		<u><b>(60.52)</b></u>	<u>(12.19)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*AT 31 DECEMBER 2024*

		<b>2024</b>	<b>2023</b>
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties	9	<b>604,080</b>	851,340
Other property, plant and equipment		<b>11,276</b>	11,777
Deferred lease receivables	10	<b>247</b>	373
Other financial assets	11	<b>55,667</b>	89,503
		<b>671,270</b>	952,993
<b>Current assets</b>			
Lease receivables, other receivables and prepayments	10	<b>1,911</b>	1,433
Current tax recoverable		<b>571</b>	1,290
Deposits with banks with original maturity date over three months		<b>45,409</b>	—
Cash and cash equivalents		<b>33,986</b>	42,649
		<b>81,877</b>	45,372
<b>Current liabilities</b>			
Deposits received and other payables	12	<b>8,304</b>	11,445
Bank loans – due within one year		<b>80,910</b>	100,581
Current tax payable		<b>275</b>	111
		<b>89,489</b>	112,137
<b>Net current liabilities</b>		<b>(7,612)</b>	(66,765)
<b>Total assets less current liabilities</b>		<b>663,658</b>	886,228
<b>Non-current liabilities</b>			
Bank loans – due after one year		<b>51,308</b>	—
Deferred tax liabilities		<b>4,377</b>	3,938
		<b>55,685</b>	3,938
<b>NET ASSETS</b>		<b>607,973</b>	882,290
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>3,862</b>	3,862
Reserves		<b>604,111</b>	878,428
<b>TOTAL EQUITY</b>		<b>607,973</b>	882,290

## NOTES TO THE FINANCIAL INFORMATION

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial information contained in this preliminary announcement of annual results was extracted from the Group's consolidated financial statements. Consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

As at 31 December 2024, the Group had net current liabilities of approximately HK\$7,612,000 (2023: HK\$66,765,000).

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 of approximately HK\$7,612,000 as at 31 December 2024.

The directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to finance its future working capital. Certain banking facilities granted to the Group include a clause that gives the banks the unconditional rights to call the bank loans at any time (“**repayment on demand clause**”), the directors are of the opinion that it is unlikely that the banks will exercise the repayment on demand clause regarding the outstanding loan balances in respect of the banking facilities granted.

In addition, the Group will actively and regularly review its capital structure and source additional capital by raising new debt financing or selling the Group's properties, where appropriate. Having considered the future liquidity and performance of the Group and its available sources of financing, the directors 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. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

## 2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“2020 amendments”) and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

### **Amendments to HKAS 1, *Presentation of financial statements* (the 2020 and 2022 amendments, collectively the “HKAS 1 amendments”)**

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the HKAS 1 amendments, the Group has reassessed the classification of its liabilities as current or non-current, and did not identify any reclassification to be made.

### **Amendments to HKFRS 16, *Leases* – *Lease liability in a sale and leaseback***

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

### **Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: disclosures* – *Supplier finance arrangements***

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

## **3. REVENUE AND SEGMENT REPORTING**

### **(a) Revenue**

The principal activities of the Group are property investment.

Revenue represents the rentals from investment properties.

### **(b) Segment reporting**

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.

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:

		<b>Revenue from external customers</b>	
		<b>2024</b>	2023
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Hong Kong</b>			
Hong Kong Island:			
Commercial		<b>13,987</b>	14,570
Residential		<b>296</b>	328
Kowloon:			
Commercial		<b>6,465</b>	6,712
Residential		<b>3,517</b>	3,432
Industrial		<b>2,561</b>	2,745
		<b>26,826</b>	27,787

During the year ended 31 December 2024, one (2023: one) individual customer contributed over 10% of the total revenue of the Group.

All of the Group's non-current assets are located in Hong Kong.

#### **4. OTHER INCOME**

		<b>2024</b>	2023
		<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income		<b>2,744</b>	1,853
Others		<b>276</b>	54
		<b>3,020</b>	1,907

## 5. LOSS BEFORE TAXATION

	2024 HK\$'000	2023 HK\$'000
Loss before taxation is arrived after charging:		
(a) <b>Finance costs</b>		
Interest on bank loans	7,717	6,330
(b) <b>Staff costs</b>		
Directors' emoluments		
– Salaries, wages and other benefits	916	3,916
– Contributions to defined contribution retirement plan	16	16
	932	3,932
– Equity-settled share-based payment expenses	–	1,110
	932	5,042
Other staff costs		
– Salaries, wages and other benefits	1,704	1,679
– Contributions to defined contribution retirement plan	50	50
	1,754	1,729
	2,686	6,771
(c) <b>Other items</b>		
Auditors' remuneration - audit services	580	560
Depreciation of other property, plant and equipment	501	501
Rentals receivable from investment properties less direct outgoings of HK\$953,000 (2023: HK\$1,413,000)	25,873	26,374

## 6. INCOME TAX

### (a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 HK\$'000	2023 HK\$'000
Current tax – Hong Kong Profits Tax:		
Provision for the year	1,669	1,494
Under/(over)-provision in respect of prior years	15	(35)
	<u>1,684</u>	<u>1,459</u>
Deferred tax:		
Origination and reversal of temporary differences	439	450
	<u>2,123</u>	<u>1,909</u>

Pursuant to the rules and regulations of Bermuda, the Group is not subject to any income tax in the jurisdiction.

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any income tax in the jurisdiction.

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated on the same basis in 2023.

## 7. DIVIDENDS

During the years ended 31 December 2024 and 2023, no dividends were paid, declared or proposed.

There is no dividend proposed by the directors of the Company subsequent to the end of the reporting period.

## 8. LOSS PER SHARE

### (a) Basic loss per share

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2024 HK\$'000	2023 HK\$'000
Loss:		
Loss for the year attributable to the owners of the Company for the purpose of calculating basic loss per share	<u>(234,266)</u>	<u>(47,092)</u>
Number of shares:	2024	2023
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>386,175,758</u>	<u>386,175,758</u>

### (b) Diluted loss per share

The calculation of the diluted loss per share for the year ended 31 December 2024 and 2023 is based on the loss attributable to owners of the Company, and weighted average number of ordinary shares, as adjusted for the effects of all dilutive potential ordinary shares.

	2024 HK\$'000	2023 HK\$'000
Loss:		
Loss for the year attributable to the owners of the Company for the purpose of calculating diluted loss per share	<u>(234,266)</u>	<u>(47,092)</u>
Number of shares:	2024	2023
Weighted average number of ordinary shares as at 31 December	386,175,758	386,175,758
Effect of deemed issue of shares under share option scheme	<u>899,204</u>	<u>—*</u>
Weighted average number of ordinary shares (diluted) as at 31 December	<u>387,074,962</u>	<u>386,175,758</u>

\* For the year ended 31 December 2023, the diluted loss per share is same as basic loss per share because the exercise price of Company's share options was higher than the average market price for share.

## 9. INVESTMENT PROPERTIES

	2024 HK\$'000	2023 HK\$'000
FAIR VALUE		
At beginning of the year	851,340	908,010
Fair value adjustment	(247,260)	(56,670)
	<u>604,080</u>	<u>851,340</u>
At end of the year	<u>604,080</u>	<u>851,340</u>
The carrying value of the investment properties shown above situated on land in Hong Kong	<u>604,080</u>	<u>851,340</u>
Net change in fair value of investment properties – Unrealised loss on investment properties revaluation	<u>(247,260)</u>	<u>(56,670)</u>

## 10. LEASE AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Lease receivables, net of loss allowance of HK\$Nil (2023: HK\$193,778)	337	311
Deferred lease receivables (see note below)	702	654
Deposits and other receivables	<u>797</u>	<u>518</u>
	<u>1,836</u>	<u>1,483</u>
Less: non-current portion of deferred lease receivables	<u>(247)</u>	<u>(373)</u>
Lease and other receivables	<u>1,589</u>	<u>1,110</u>
Add: Prepayments	<u>322</u>	<u>323</u>
	<u>1,911</u>	<u>1,433</u>

*Note:*

Deferred lease receivables represent the accumulated difference between effective rental revenue and actual invoiced rental amount.

Included in lease and other receivables, deferred lease receivables of approximately HK\$247,000 (2023: HK\$373,000) are expected to be recovered over one year and classified as non-current assets. All of the other lease and other receivables are expected to be recovered or recognised within one year.

#### **Ageing analysis**

As of the end of the reporting period, the ageing analysis of lease receivables, based on rental demand notices issued on the first calendar day of each month and net of loss allowance, is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Age		
0 – 90 days	<u>337</u>	<u>311</u>

#### **11. OTHER FINANCIAL ASSETS**

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Equity instrument designated at FVOCI (non-recycling)</b>		
Unlisted partnership investment	<u>55,667</u>	<u>89,503</u>

The balance represents 10% equity interest in Epic Capital Development Fund I, L.P. (“**Epic Fund**”), a private limited partnership entity established in the Cayman Islands. The principal activity of Epic Fund is redevelopment of properties located in Hong Kong, specifically the project at No. 32 Hung To Road, Kwun Tong, Kowloon (the “**Fund Property**”). The directors of the Company have elected to designate the investment in equity instrument as at FVOCI (non-recycling) as they believe that recognising short-term fluctuations in the investment in profit or loss would not be consistent with the Group’s strategy of holding the investment for long term investment purpose and realising the performance potential in the long run. No dividends were received on this investment during the year ended 31 December 2024 (2023: Nil). The Fund Property was redeveloped into a commercial building (including shops, offices and carparks) during the year ended 31 December 2023 and is intended to be held for sales.

The movements during the period in the balance of this Level 3 fair value measurement are as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Unlisted equity instrument:		
At 1 January	<b>89,503</b>	88,563
Payment for capital injection	<b>6,215</b>	7,120
Net unrealised loss recognised in other comprehensive income during the period	<u><b>(40,051)</b></u>	<u>(6,180)</u>
At 31 December	<u><b>55,667</b></u>	<u>89,503</u>

Any gain or loss arising from the remeasurement of the Group's unlisted equity instrument held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity instrument, the amount accumulated in other comprehensive income is transferred directly to retained profits.

## 12. DEPOSITS RECEIVED AND OTHER PAYABLES

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Rental deposits received	<b>7,082</b>	7,019
Accrued expenses	<b>883</b>	4,104
Other payables	<u><b>339</b></u>	<u>322</u>
Financial liabilities measured at amortised cost	<u><b>8,304</b></u>	<u>11,445</u>

Apart from the rental deposits received of approximately HK\$1,652,000 (2023: HK\$6,388,000), all of the deposits received and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

## 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 2024, the aggregate market value of the Group's investment properties was approximately HK\$604.1 million, representing a decrease of approximately HK\$247.3 million as compared to 2023. This decrease was mainly due to a decrease in net changes in fair value of the investment properties.

Furthermore, during the year ended 31 December 2024, the Group continued to hold 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**”). Reference is made to the investment in the Fund which was announced by the Company as a discloseable transaction on 24 July 2018. The Fund Property has a site area of approximately 9,805 square feet and the total attributable gross floor area upon redevelopment is approximately 146,900 square feet. As at 31 December 2024, the Fund Property has been redeveloped to a commercial building (including shops, offices and carparks).

The Group's main source of income is rental generated from the Group's investment properties. The rental income was approximately HK\$26.8 million for the year ended 31 December 2024, representing a decrease of approximately 3.5% as compared to 2023. The decrease was mainly due to more rental concessions granted to tenants in 2024 as compared to 2023. The Group's investment properties were 99.9% occupied as at 31 December 2024.

The Group's other comprehensive expense for 2024 was approximately HK\$40.1 million, as compared to approximately HK\$6.2 million in 2023. This was mainly attributable to the net movement in fair value reserves from the Fund. As the net decrease in fair value reserves from the Fund is a non-cash item and will not be reclassified to profit or loss, it does not have any material adverse effect on the operations or cash flow of the Group.

In general, office demand has undergone a transformation due to a work-from-home revolution, whereby businesses are finding themselves in need of less physical office space. In addition, an oversupply of office space in Kwun Tong area, coupled with a general trend of Mainland firms reducing their investments in Hong Kong office properties, has caused office property values in Kwun Tong area to continue to decrease during the year under review, causing the fair value of the Fund Property and the Fund to continue to decrease during the year ended 31 December 2024. Notwithstanding additional capital injected into the Fund in 2024 of approximately HK\$6.2 million, this was net off against the net decrease in the fair value reserves from the Fund of approximately HK\$40.1 million, and as a result, as at 31 December 2024, the fair value of the investment of the Fund recorded as other financial asset was approximately HK\$55.7 million (31 December 2023: approximately HK\$89.5 million).

Without taking into account the impact of the aforesaid net decrease in fair value reserves from the Fund, the Group recorded a net loss for the year ended 31 December 2024 of approximately HK\$234.3 million (2023: net loss of approximately HK\$47.1 million).

In 2024, the Group recorded a net decrease in fair value of the Group's investment properties of approximately HK\$247.3 million, as compared to a decrease of approximately HK\$56.7 million for 2023, which reflected the general market conditions of the commercial retail and residential investment property market in Hong Kong for the period under review. In 2024, a growing number of owners are selling their retail properties in Hong Kong at substantial discounts due to high borrowing costs affecting mortgage repayments. Concurrently, negative carry continues to dampen buyer sentiment in the Hong Kong retail property market. Moreover, Hong Kong banks are increasingly reluctant to provide credit to potential Hong Kong retail property buyers. These factors have collectively contributed to a downward spiral in Hong Kong retail property prices. 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, it does not have any material adverse effect on the operations or cash flow of the Group.

In addition, there was a share option expense of approximately HK\$1.1 million in 2023, whilst there was no such expense in 2024.

Without taking into account the impact of the aforesaid net change in fair values of the Group's investment properties and the granting of share options in 2023, the Group recorded a net profit for the year ended 31 December 2024 of approximately HK\$13.0 million which is in line with that for 2023 of approximately HK\$10.7 million. The increase in above mentioned net profit compared to 2023 was mainly attributable to reduction in administrative expenses due to reduced director remuneration in 2024.

## **PROSPECTS**

The Hong Kong retail market faced significant challenges in 2024 due to continued change in physical consumption habits of both local residents and tourists. This change in consumption habits was characterized by low consumer sentiment, decreased competitiveness of retailers, and the adverse impact of a strong Hong Kong dollar on tourist spending. Mainland visitors are now more focused on in-depth cultural tours rather than traditional shopping activities. Moreover, the persistent trend of Hong Kong residents traveling to Mainland China for shopping as well as shifting to online shopping has further negatively affected the Hong Kong physical retail environment and the Group's leasing business.

Looking ahead, the prolonged high-interest rate environment and the strong Hong Kong dollar are negatively impacting consumer sentiment and stalling the recovery of Hong Kong's retail market. Furthermore, the global economic outlook remains uncertain due to ongoing geopolitical conflicts and trade tensions between China and the USA. These factors are likely to continue complicating Hong Kong's economic recovery and affecting the Group's rental performance.

To bolster consumer confidence and stimulate business momentum, the Hong Kong government has introduced several measures aimed at enhancing physical retail demand. These initiatives include the resumption of the multiple-entry Individual Visit Scheme for Shenzhen residents and the implementation of various talent admission schemes designed to attract global talent. Such efforts aim to strengthen Hong Kong's position as a global tourist destination and a regional hub for business and innovation, thereby improving potential physical retail activity.

However, the leasing market in the Hong Kong physical retail sector has become polarized. Leasing activity is mainly concentrated in prime shopping areas such as Causeway Bay and Tsim Sha Tsui, while non-prime locations struggle to attract tenants. As most of the Group's commercial properties are not located in prime shopping areas, they have been significantly affected by this trend.

Fortunately, the Group's portfolio continues to maintain high occupancy rates during the year under review as our Group has a diverse tenant pool with tenants from different industries. To maintain the occupancy rates, the Group will continue to closely monitor the economic developments and property market changes and make rental policy adjustments accordingly. We will also closely communicate with our tenants and continue to support them during difficult times.

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.

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 when evaluating potential investment opportunities.

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. As at 31 December 2024, the Group held an investment property portfolio of 38 properties located in Hong Kong.

During the year ended 31 December 2024, the Group continued to hold an investment portfolio, through a 10% investment in the Fund that is engaged in a redevelopment project of the Fund Property. The consideration paid for this investment was financed by the Group's internal funds and bank borrowings. The fair value of the Group's investment into the Fund as at 31 December 2024 was approximately HK\$55.7 million (31 December 2023: approximately HK\$89.5 million) representing approximately 7.4% of the Company's total assets as at that date. The total investment cost of the Group into the Fund as at 31 December 2024 was approximately HK\$99.6 million. The decrease in fair value of the Fund since initial investment was approximately HK\$43.9 million.

As at 31 December 2024, the Fund Property has been redeveloped into a commercial building (including shops, offices and carparks) and the sale of the units in the Fund Property has commenced in June 2024. The Fund Property consists of 171 commercial units and 98 carparks. Up to 31 December 2024, 18 commercial units and 6 carparks were sold and completed. As the Group holds a minority interest in the Fund, the Group will go along with the Fund as to their sales marketing strategy with respect to the Fund Property.

The Group did not introduce or announce any new business or services for the year ended 31 December 2024.

## **RESULTS**

Our total comprehensive expense for the year attributable to owners of the Company for 2024 was approximately HK\$274.3 million (2023: approximately HK\$53.3 million). Current year total comprehensive expense was mainly attributable to a decrease in the net movement in fair value reserves from the Fund of approximately HK\$40.1 million and a net decrease in fair value of the investment properties of approximately HK\$247.3 million.

Basic loss per share for 2024 was approximately HK\$0.6066 (2023: basic loss per share of approximately HK\$0.1219), representing an increase in loss of approximately HK\$0.4847 per share in 2024.

## **FINANCIAL REVIEW**

### **Liquidity and Capital Resources**

As at 31 December 2024, the net current liabilities of the Group amounted to approximately HK\$7.6 million (31 December 2023: approximately HK\$66.8 million). The current ratio, expressed as current assets over current liabilities, was approximately 0.91 (31 December 2023: approximately 0.40).

The lesser net current liabilities as at 31 December 2024, was mainly due to the renewal of three banking facilities totaling approximately HK\$57.0 million for a period of over 24 months during 2024, thus a portion of these three bank loans was reclassified as non-current liabilities. In addition, in 2024, the Group raised a new bank loan of approximately HK\$48.5 million, with a repayment term of over 5 years. This increased the Group's current assets and at the same time increased the Group's current liabilities.

After taking into account the available banking facilities as at 31 December 2024, and the estimated cash flows generated from the Group's operations, the directors of the Company ("**Directors**") 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. The management will continue to implement all necessary measures to ensure that the Group maintains adequate cash and appropriate credit facilities to meet its future operating expenditure and loan repayment obligations.

As at 31 December 2024, the total equity of the Group was approximately HK\$608.0 million (31 December 2023: approximately HK\$882.3 million), representing a decrease of approximately HK\$274.3 million from the previous year-end.

Bank deposits and cash of the Group as at 31 December 2024 were approximately HK\$79.4 million (31 December 2023: approximately HK\$42.6 million), comprised of non-pledged cash and time deposits with maturity of less than three months of approximately HK\$34.0 million (31 December 2023: approximately HK\$42.6 million), and unpledged deposits with banks with original maturity date over three months of approximately HK\$45.4 (31 December 2023: nil). The increase in the Group's bank deposits and cash was mainly attributable to a new bank loan of approximately HK\$48.5 million raised during the year under review together with the cash generated from the operation of the Group and interest earned of approximately HK\$19.0 million, which were netted off with cash outflow from the new capital contribution in the Fund of approximately HK\$6.2 million, together with repayment of bank loans and interest of approximately HK\$24.6 million. After netting off the total bank borrowings of approximately HK\$132.2 million (2023: HK\$100.6 million), the net debt amounted to approximately HK\$52.8 million, a decrease of approximately HK\$5.1 million when compared with 31 December 2023 of approximately HK\$57.9 million.

As at 31 December 2024, the carrying amount of our bank loans was approximately HK\$132.2 million (31 December 2023: approximately HK\$100.6 million). As at 31 December 2024, 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\$273.3 million (31 December 2023: approximately HK\$236.9 million). As at 31 December 2024, the bank loans bear interest rates ranging from 5.63% to 6.34% per annum (31 December 2023: ranging from 6.97% to 7.37% per annum). As at 31 December 2024, the Group had no unutilized bank loan facilities (31 December 2023: HK\$20 million). The Group's borrowing was not affected by seasonality. All the Group's bank loans were on floating rate basis. The Group does not use any financial instruments for hedging of interest rate.

Of the total bank loans as at 31 December 2024, approximately HK\$80.9 million (or approximately 61.2%) was repayable within one year or on demand. Approximately HK\$44.6 million (or approximately 33.7%) was repayable after one year but within two years. Approximately HK\$6.7 million (or approximately 5.1%) was repayable after two years but within five years. None was repayable after five years.

Of the total bank loans as at 31 December 2023, approximately HK\$100.6 million (or approximately 100%) was repayable within one year or on demand. None was repayable after one year but within two years. None was repayable after two years but within five years. None was repayable after five years.

The Group's gearing ratio, calculated as total borrowings of approximately HK\$132.2 million (31 December 2023: approximately HK\$100.6 million) divided by shareholder's equity of the Group of approximately HK\$608.0 million (31 December 2023: approximately HK\$882.3 million) was approximately 0.22 as at 31 December 2024 (31 December 2023: approximately 0.11). The increase was mainly due to a new bank loan raised of approximately HK\$48.5 million, in 2024, thus increasing the total bank loans as at 31 December 2024, which was further attributable by the Group's significant decrease in equity in 2024.

### **Capital Expenditure**

Capital expenditure incurred by the Group (representing acquisition of investment properties and property, plant and equipment and new contribution made in the investment in the Fund) for the year ended 31 December 2024 was approximately HK\$6.2 million (2023: HK\$7.1 million). 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 2024 and 31 December 2023, the Group had no capital commitment, 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 2024 and 31 December 2023.

### **Pledge of assets**

As at 31 December 2024, certain of the Group's investment properties with a carrying value of approximately HK\$262.0 million (31 December 2023: approximately HK\$225.1 million) have been pledged to secure bank loans of the Group.

As at 31 December 2024, one of the Group's leasehold land and buildings with a carrying value of approximately HK\$11.3 million (31 December 2023: approximately HK\$11.8 million) has been pledged to secure a bank loan of the Group.

As at 31 December 2024 and 31 December 2023, the Group did not have any finance lease.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Company during the years ended 31 December 2024 and 2023.

## **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 2024, the Group had 7 employees (31 December 2023: 7 employees) in Hong Kong. The Group recorded staff costs of approximately HK\$2.7 million for the year ended 31 December 2024 (2023: approximately HK\$6.8 million). The decrease was mainly due to reduced director remuneration in 2024.

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 2023 resulting in recording of share-based payment expenses of approximately HK\$1.1 million in 2023, whilst no such expenses were recorded in 2024 as no share options were granted in 2024.

## **RELATIONSHIP WITH KEY STAKEHOLDERS**

The Group fully understands that staff, tenants and suppliers are the key to our sustainable and stable development.

We are committed to establishing a close relationship with our staff, enhancing cooperation with our suppliers and our tenants so as to ensure the Group's sustainable development.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

## **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 2024. As at 31 December 2024, 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 Part 2 of Appendix C1 (formerly 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 2024.

## **COMPLIANCE WITH MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (formerly Appendix 10) of 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 2024.

## **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 2024.

## **SCOPE OF WORK OF MESSRS. CROWE (HK) CPA LIMITED**

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 2024 as set out in this announcement have been agreed by the Group's auditor, Messrs. Crowe (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Crowe (HK) CPA Limited 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. Crowe (HK) CPA Limited 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 2024 annual report will be disseminated 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 express my sincere gratitude to all of our shareholders, tenants and professional parties for their continued support and I would also like to extend my sincere appreciation to 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, 18 March 2025

*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, Mr. Chui Chi Yun Robert and Mr. Lam Kwok Cheong.*

\* *for identification purposes only*