

WING LEE

PROPERTY INVESTMENTS LIMITED

永利地產發展有限公司*

(Incorporated in Bermuda with limited liability)

Stock code: 864

2024 ANNUAL REPORT

** For identification purposes only*

CONTENTS

Corporate Information	2
Chairperson's Statement	3
Management Discussion and Analysis	6
Directors and Senior Management Profile	12
Corporate Governance Report	15
Environmental, Social & Governance Report	28
Other Information	35
Directors' Report	37
Independent Auditor's Report	49
Consolidated Statement of Profit or Loss and Other Comprehensive Income	55
Consolidated Statement of Financial Position	56
Consolidated Statement of Changes in Equity	58
Consolidated Statement of Cash Flows	59
Notes to the Financial Statements	60
Financial Summary	115
Summary of Investment Properties held by the Group	116

WING LEE PROPERTY INVESTMENTS LIMITED

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Ms. Chau Choi Fa (*Chairperson*)
Ms. Wong Siu Wah (*Chief Executive Officer*)
Ms. Wong Vivien Man-Li
Ms. Chow Woon Yin

Independent Non-executive Directors

Mr. Lam John Cheung-wah
Mr. Chui Chi Yun Robert
Mr. Lam Kwok Cheong

COMPANY SECRETARY

Mr. Ng Ho Yin Owen

INDEPENDENT AUDITOR

Crowe (HK) CPA Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor

LEGAL ADVISORS

Bermuda

Conyers Dill & Pearman

Hong Kong

Reed Smith Richards Butler LLP

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Dah Sing Bank, Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

HEAD OFFICE AND

PRINCIPAL PLACE OF BUSINESS

Office J, 11/F, King Palace Plaza
55 King Yip Street
Kwun Tong, Kowloon
Hong Kong

SHARE REGISTRARS

Bermuda Principal

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton, HM 11
Bermuda

Hong Kong Branch

Tricor Investor Services Limited
17/F, Far East Financial Centre
16 Harcourt Road
Hong Kong

STOCK CODE

Stock Code on The Stock Exchange of
Hong Kong Limited: 864

CORPORATE WEBSITE

www.wingleeproperties.com

CHAIRPERSON'S STATEMENT

On behalf of the board of directors (the “**Board**”) of Wing Lee Property Investments Limited (the “**Company**”), I am pleased to present the audited financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 (the “**year**” or “**reporting period**”).

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).

CHAIRPERSON'S STATEMENT

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.

CHAIRPERSON'S STATEMENT

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.

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.

Chau Choi Fa

Chairperson

Hong Kong, 18 March 2025

WING LEE PROPERTY INVESTMENTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

In millions of Hong Kong dollars except where specified

		2024	2023
For the year	Revenue	26.8	27.8
	Decrease in net changes in fair value of investment properties	(247.3)	(56.7)
	Loss for the year attributable to owners of the Company	(234.3)	(47.1)
As at 31 December	Capital & reserves attributable to owners of the Company	608.0	882.3
	Shares in issue (thousands)	386,176	386,176
Ratio	Return before the net changes in fair value of investment properties on capital & reserves attributable to owners of the Company (%)	2.1	1.1
Per Share	Net worth per share (HK\$)	1.57	2.28
	Loss per share (HK cents)	(60.66)	(12.19)

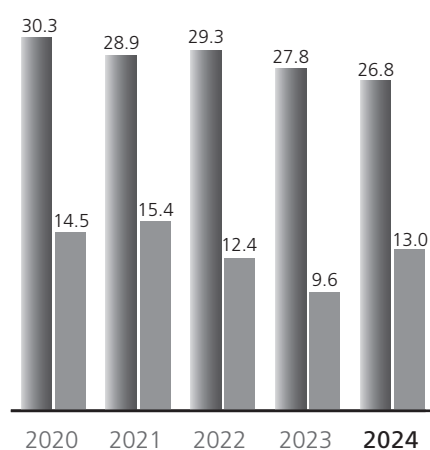
WING LEE PROPERTY INVESTMENTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

Revenue/Net Operating Profit

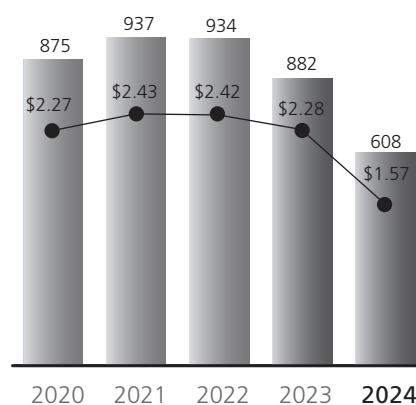
HK\$ Million



- Revenue
- Net operating profit attributable to shareholders*

Shareholders' Funds/Net Assets per Share

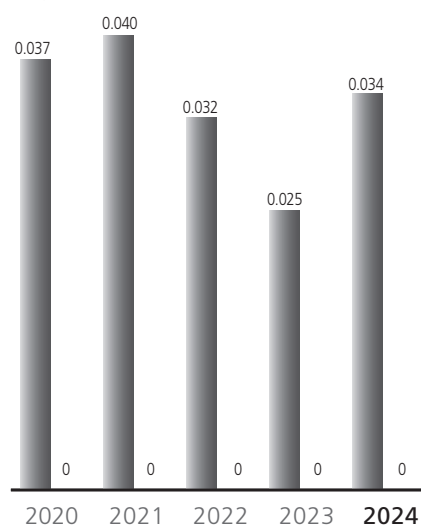
HK\$ Million/HK\$



- Shareholders' funds
- Net assets per share (HK\$)

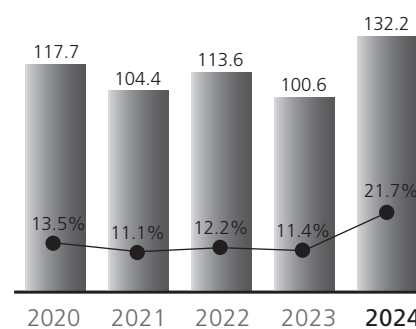
Operating Earnings/Dividend per Share

HK\$



- Operating Earnings per share*
- Dividend per share

Gearing/Borrowings



- Debt to equity ratio
- Borrowings (HK\$ Million)

* Excluding the impacts of net changes in fair value of investment properties (net of taxation)

WING LEE PROPERTY INVESTMENTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

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).

WING LEE PROPERTY INVESTMENTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

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.

WING LEE PROPERTY INVESTMENTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

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.

WING LEE PROPERTY INVESTMENTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

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).

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Ms. Chau Choi Fa (“Ms. Chau”), aged 57, is an executive director and the chairperson of the Company. Ms. Chau is the spouse of Mr. Chow Tak Hung, the controlling shareholder of the Company. Ms. Chau is also the sister-in-law of Ms. Chow Woon Yin, an executive director of the Company. Ms. Chau has been responsible for overseeing the property division of the Group since 2007. Ms. Chau has over 20 years of experience in property investments and related activities in Hong Kong and overseas. She is responsible for the overall strategic planning of the Group. She is also a director of all subsidiaries of the Company and a director of Bright Asia Holdings Limited, the controlling shareholder of the Company.

Ms. Wong Siu Wah (“Ms. Wong”), aged 77, is an executive director and the chief executive officer of the Company. Ms. Wong is the mother of Ms. Wong Vivien Man-Li, an executive director of the Company. Ms. Wong has been responsible for overseeing the property business of the Group since 2001. She has over 25 years of management experience in the electronics industry as well over 25 years of experience in property investments and related activities in Hong Kong, as well as overseas. She is responsible for the overall strategic planning of the Group as well as overall administration of the Group. She is also a director of all subsidiaries of the Company and a director of Bright Asia Holdings Limited, the controlling shareholder of the Company.

Ms. Wong Vivien Man-Li (“Ms. Vivien Wong”), aged 43, is the daughter of Ms. Wong and an executive director of the Company. Ms. Vivien Wong joined the Group in 2011 and has over ten years of experience in property and rental management. She holds a Bachelor of Laws degree from the University of Manchester, United Kingdom, and a Bachelor of Science degree from the University of Waterloo, Canada and is licensed to practice law as a solicitor and barrister in Ontario, Canada (currently non-practising) and is a member of the Law Society of Ontario (formerly known as the Law Society of Upper Canada). She is responsible for the overall management and corporate policy of the Group. She is also a director of all subsidiaries of the Company.

Ms. Chow Woon Yin (“Ms. Chow”), aged 68, is an executive director of the Company, Ms. Chow is the younger sister of Mr. Chow Tak Hung, the controlling shareholder of the Company, and the sister-in-law of Ms. Chau, an executive director and the chairperson of the Company. Ms. Chow joined the Group in 2018 and has over 25 years of experience in property investments and related activities in Hong Kong and overseas. She is responsible for overall strategic planning of the Group together with the other executive directors. She is also a director of all subsidiaries of the Company and a director of Bright Asia Holdings Limited, the controlling shareholder of the Company.

DIRECTORS AND SENIOR MANAGEMENT PROFILE**INDEPENDENT NON-EXECUTIVE DIRECTORS**

Mr. Lam John Cheung-wah ("Mr. Lam"), aged 70, joined the Group in 2013. Mr. Lam worked in the banking industry for more than 30 years. He is an adviser of Nan Fung Property Holdings Limited which is engaged in property investments and development, of which he is the vice chairman and an executive director from 2013 to 2021. Prior to this, he was an executive director of Dah Sing Bank, Limited and a director of Dah Sing Securities Limited, Dah Sing Life Assurance Co. Limited and Dah Sing Bank (China) Limited. Mr. Lam was employed by Hang Seng Bank Limited as an assistant general manager from 2003 to 2005. Prior to joining Hang Seng Bank Limited, Mr. Lam worked in various senior positions in The Hongkong and Shanghai Banking Corporation Limited and the Royal Bank of Canada for over 21 years. Mr. Lam obtained in June 1988 and June 1977, respectively, a Bachelor Degree in Business Management and a Marketing Diploma from Ryerson Polytechnical Institute (currently known as Toronto Metropolitan University) in Toronto, Canada, and was designated as a Fellow of the Institute of Canadian Bankers in 1980. Mr. Lam is an advisor of China Real Estate Chamber of Commerce Hong Kong and International Chapter Limited, and also a member of the Chinese People's Political Consultative Conference Guangzhou Committee. Mr. Lam is an independent non-executive director of Blue River Holdings Limited (stock code: 498), Oshidori International Holdings Limited (stock code: 622) and Envision Greenwise Holdings Limited (formerly known as Golden Ponder Holdings Limited) (stock code: 1783). Mr. Lam served as an independent non-executive director of USPACE Technology Group Limited (formerly known as Aerospace Technology Group Limited) (stock code: 1725) until 5 July 2022. During the year, Mr. Lam has resigned as an independent non-executive director of C&D Newin Paper & Pulp Corporation Limited (formerly known as Samson Paper Holdings Limited) (stock code: 731), with effect from 31 October 2024. Mr. Lam was appointed as a non-executive director of Lincoln Minerals Limited (stock code: LML), a company listed on the Australian Securities Exchange, with effect from 1 September 2023.

Mr. Chui Chi Yun Robert ("Mr. Chui") M.H., aged 68, joined the Group in 2013. Mr. Chui obtained a Bachelor Degree in Commerce from the Concordia University in June 1978 and is a practising Certified Public Accountant in Hong Kong. Mr. Chui was admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom in June 1991 and May 1989, respectively. Mr. Chui is an independent non-executive director of each of F8 Enterprises (Holdings) Group Limited (stock code: 8347) and Asia Cassava Resources Holdings Limited (stock code: 841). Mr. Chui served as an independent non-executive director of each of Huiyin Holdings Group Limited (Stock Code: 1178) until 15 December 2021, National Arts Entertainment and Culture Group Limited (stock code: 8228) until 19 November 2022, Tse Sui Luen Jewellery (International) Limited (stock code: 417) until 27 September 2023 and Dragon King Group Holdings Limited (stock code: 8493) until 30 October 2023, all of which are companies listed on the Hong Kong Stock Exchange.

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Mr. Lam Kwok Cheong ("Mr. KC Lam"), aged 71, joined the Group in 2022. Mr. KC Lam holds Bachelor of Laws degree from the University of Hong Kong. Mr. KC Lam is an independent non-executive director of Wah Sun Hangbags International Holdings Limited (HK stock code: 2683). During the year, Mr. KC Lam has retired as an independent non-executive director of New Sparkle Roll International Group Limited (stock code: 970), with effect from 23 April 2024. Mr. KC Lam was also an independent non-executive director of Convoy Global Holdings Limited (HK stock code: 1019) (delisted on 4 May 2021) until his resignation on 31 January 2024. Mr. KC Lam is a Justice of Peace with Bronze Bauhinia Star (BBS) and a solicitor of the High Court of the Hong Kong Special Administrative Region. Mr. KC Lam is currently a China-appointed Attesting Officer, Ex-Officio Member of Heung Yee Kuk New Territories and a Civil Celebrant of Marriages.

SENIOR MANAGEMENT

Mr. Ng Ho Yin Owen ("Mr. Ng"), aged 45, joined the Group in 2012. Mr. Ng is the company secretary and financial controller of the Company. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a certified practising accountant of CPA Australia. Mr. Ng is responsible for the financial and company secretarial matters of the Company. Mr. Ng has over 15 years of experience in auditing, financial management and taxation. Mr. Ng holds a Bachelor of Business (Accountancy) degree and Bachelor of Information Technology degree from the Queensland University of Technology, Australia. Mr. Ng was appointed as an independent non-executive director of Beijing Airdoc Technology Co., Ltd. (stock code: 2251) with effect from 18 October 2024.

CORPORATE GOVERNANCE REPORT

The Board considers effective corporate governance a key component in the Group's sustainable development and believes that good corporate governance practices are increasingly important for maintaining and promoting shareholder value and investor confidence. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 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.

(A) THE BOARD OF DIRECTORS

The overall management of the Company's operation is vested in the Board.

The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems and review of the effectiveness of such systems, monitoring of the performance of the senior management and determining the policy for corporate governance. The directors of the Company ("Directors") make decisions objectively in the interests of the Company. Currently, the Board comprises seven Directors, including four executive Directors and three independent non-executive Directors:

Executive Directors

Ms. Chau Choi Fa (*Chairperson*)

Ms. Wong Siu Wah (*Chief Executive Officer*)

Ms. Wong Vivien Man-Li

Ms. Chow Woon Yin

Independent Non-Executive Directors

Mr. Lam John Cheung-wah

Mr. Chui Chi Yun Robert

Mr. Lam Kwok Cheong

Their biographical details and relationships are set out in the section entitled "Directors and Senior Management Profile" in this annual report. Ms. Wong and Ms. Vivien Wong are mother and daughter. Ms. Chau and Ms. Chow being sisters-in-law, and Ms. Chau being the wife of, and Ms. Chow being the younger sister of, Mr. Chow Tak Hung, the ultimate controlling shareholder of the Company. Ms. Chau and Ms. Wong are interested in certain properties in Hong Kong (being the territories in which the Group owns properties during the year ended 31 December 2024), the details of which are set out in the paragraph "Properties Held by the Directors and our Controlling Shareholders" in the section entitled "Other information" in this annual report. Save as aforementioned, there is no relationship, including financial, business, family or other material/relevant relationship between members of the Board.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

CORPORATE GOVERNANCE REPORT

(A) THE BOARD OF DIRECTORS – continued

Chairperson and Chief Executive Officer

Ms. Chau Choi Fa is the chairperson of the Company and Ms. Wong Siu Wah is the chief executive officer (“CEO”). The roles of the chairperson and CEO are served by different individuals to achieve a balance of authority and power, which is in compliance with the Code Provision C.2.1 of the CG Code. The main responsibility of the chairperson is to lead the Board and manage its work to ensure that it effectively operates and fully discharges its responsibilities. Supported by the members of committees of the Board, the CEO is responsible for the day-to-day management of the Group’s business, recommending strategies to the Board, and determining and implementing operational decisions.

Appointments, Re-election and Removal of Directors

Each of the executive Directors and independent non-executive Directors has entered into a service contract or letter of appointment with the Company for a specific term. Such term is subject to her/his re-appointment by the Company at an annual general meeting upon such Director’s retirement by rotation at least once every three years and offering herself/himself for re-election.

The bye-laws of the Company provide that any Director appointed by the Board, (i) to fill a casual vacancy in the Board, shall hold office only until the next following general meeting of the Company and shall be subject to re-election at such meeting and (ii) as an addition to the Board shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election.

Independent Non-Executive Directors

In compliance with Rule 3.10 of the Listing Rules, the Company has, at all times during 2024, appointed three independent non-executive Directors, one of whom, namely Mr. Chui Chi Yun Robert, possesses the appropriate professional qualifications in accounting and financial management. Each of the independent non-executive Directors has confirmed his independence of the Company and the Company considers each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules. Each of the independent non-executive Directors has signed a letter of appointment with the Company for a specific term of one year.

Board Diversity Policy

The Company has adopted a board diversity policy which sets out the approach to achieve and maintain diversity on the Board. The Board recognises the benefits of a diverse Board with members possessing a balance of skills, experience, knowledge and expertise which complement the effectiveness and business success of the Group.

Pursuant to the Company’s board diversity policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge, expertise and length of service. All Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, having regard to the benefits of diversity of the Board.

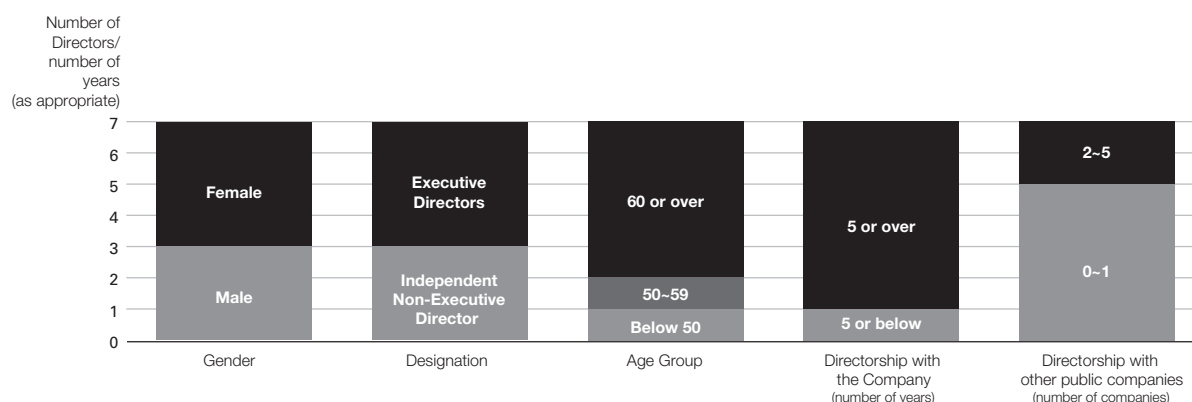
(A) THE BOARD OF DIRECTORS – continued

Board Diversity Policy – continued

The Board will consider setting measurable objectives to implement the policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. At present, the Board has not set any measurable objectives.

The Nomination Committee will review the policy from time to time to ensure its continued effectiveness.

An analysis of the board diversity as at 31 December 2024 based on a range of diversity perspectives is set out below:



The Board is of the view that gender diversity has been achieved in respect of the Board, as there is a good balance of male and female Directors.

An analysis of the Company's workforce by gender is set out below:

	2024 Percentage (%)	2023 Percentage (%)
Male	28.6	28.6
Female	71.4	71.4

At the senior management level, the Company Secretary of the Company is male. The Company is committed to maintaining an appropriate level of female staff in the workforce and will apply the diversity policy to attract, retain and motivate employees from the widest possible pool of available talent.

Number of Meetings and Directors' Attendance

Code Provision C.5.1 of the CG Code prescribes that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of the Directors, either in person or through other electronic means of communication.

CORPORATE GOVERNANCE REPORT

(A) THE BOARD OF DIRECTORS – continued

Number of Meetings and Directors' Attendance – continued

During the year ended 31 December 2024, the Board has held four Board meetings. The Board will schedule to have at least four regular meetings in a year.

Name of Director	Attendance/Number of Meetings				Annual General Meeting
	Board Meeting	Nomination Committee	Remuneration Committee	Audit Committee	
Executive Directors:					
Ms. Chau Choi Fa	4/4	1/1	N/A	N/A	1/1
Ms. Wong Siu Wah	4/4	N/A	2/2	N/A	1/1
Ms. Wong Vivien Man-Li	4/4	N/A	N/A	N/A	1/1
Ms. Chow Woon Yin	4/4	N/A	N/A	N/A	1/1
Independent Non-executive Directors:					
Mr. Lam John Cheung-wah	4/4	1/1	2/2	2/2	1/1
Mr. Chui Chi Yun Robert	4/4	1/1	2/2	2/2	1/1
Mr. Lam Kwok Cheong	4/4	1/1	2/2	2/2	1/1

Training and Support for Directors

In accordance with Code Provision C.1.4 of the CG Code with regards to continuous professional development, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills.

To further ensure that all Directors are adequately informed about the Company's business and operations as well as his/her responsibilities under relevant laws, rules and regulations, the company secretary of the Company provides all Directors with regular updates regarding the Company's performance as well as updates on latest amendments and developments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

CORPORATE GOVERNANCE REPORT

(A) THE BOARD OF DIRECTORS – continued

Training and Support for Directors – continued

The Directors received the following training for the year ended 31 December 2024 according to the records provided by the Directors:

Directors	Training on corporate governance, regulatory development and other relevant topics
<i>Executive Directors</i>	
Ms. Chau Choi Fa (<i>Chairperson</i>)	✓
Ms. Wong Siu Wah (<i>Chief Executive Officer</i>)	✓
Ms. Wong Vivien Man-Li	✓
Ms. Chow Woon Yin	✓
<i>Independent Non-executive Directors</i>	
Mr. Lam John Cheung-wah	✓
Mr. Chui Chi Yun Robert	✓
Mr. Lam Kwok Cheong	✓

Directors' and Officers' Insurance

The Company has arranged for appropriate liability insurance for the Directors to cover their liabilities arising out of corporate activities.

Compliance with the Model Code for Directors' Securities Transactions

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

Board Committees

The Board has established an Audit Committee, Remuneration Committee and Nomination Committee (collectively "Board Committees") with defined terms of reference. The terms of reference of the Board Committees are posted on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

CORPORATE GOVERNANCE REPORT

(A) THE BOARD OF DIRECTORS – continued

Board Committees – continued

Audit Committee

The Audit Committee's members during 2024 include:

Mr. Chui Chi Yun Robert (*Chairperson*)

Mr. Lam John Cheung-wah

Mr. Lam Kwok Cheong

All of the committee members are independent non-executive Directors. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The terms of reference of the Audit Committee, a copy of which is posted on the website of the Company and the Stock Exchange, are in line with the provisions of the CG Code.

The Audit Committee shall hold at least two regular meetings in a year to review and discuss the interim and annual financial statements of the Company. Additional meetings of the Audit Committee may be held as and when required.

The Audit Committee shall meet with the external auditor at least twice a year. The external auditor may request additional meetings if they consider necessary.

During the year ended 31 December 2024, the Audit Committee held two meetings. The attendance records are set out under the section headed "Number of Meetings and Directors' Attendance" in this report. The Audit Committee performed the following work during the year:

- (a) reviewed the Group's annual audited financial statements for the year ended 31 December 2023, and reviewed the unaudited interim financial statements for the six months ended 30 June 2024 including the accounting principles and accounting standards adopted with recommendations made to the Board for approval;
- (b) reviewed the changes in accounting standards and assessed their potential impacts on the Group's financial statements;
- (c) reviewed the Group's risk management and internal control system and related matters; and
- (d) considered and made recommendations on the re-appointment of the independent auditor of the Group, and the terms of engagement.

(A) THE BOARD OF DIRECTORS – continued

Board Committees – continued

Remuneration Committee

The Remuneration Committee's members during 2024 include:

Mr. Lam John Cheung-wah (*Chairman*)

Mr. Chui Chi Yun Robert

Ms. Wong Siu Wah

Mr. Lam Kwok Cheong

The majority of the members are independent non-executive Directors. The Remuneration Committee determines the policy for remuneration of executive Directors, assessing performance of executive Directors, approving the terms of executive Directors' service contracts, reviews the remuneration package of the executive Directors, independent non-executive Directors and senior management, and makes appropriate recommendations to the Board. Staff remuneration is determined by the Group's management by reference to the individual staff's qualifications, work experience, performance and prevailing market conditions.

The terms of reference of the Remuneration Committee, a copy of which is posted on the website of the Company and the Stock Exchange, are in line with the provisions of the CG Code.

The Remuneration Committee met once during the financial year. The attendance records are set out under the section headed "Number of Meetings and Directors' Attendance" in this report. During the meeting, the Remuneration Committee reviewed the remuneration policy and structure of the Group and remuneration policy indicators, the remuneration packages of the executive Directors, independent non-executive Directors and senior management and matters relating to share schemes under Chapter 17 of the Listing Rules. Findings and recommendations of the Remuneration Committee were reported to the Board.

Nomination Committee

The Nomination Committee's members during 2024 include:

Mr. Lam Kwok Cheong (*Chairman*)

Mr. Chui Chi Yun Robert

Mr. Lam John Cheung-wah

Ms. Chau Choi Fa

The majority of the members are independent non-executive Directors. The principal duties of the Nomination Committee are to determine the policy of nomination of Directors and identify and nominate suitable candidates for appointment as Directors and make recommendations to the Board.

The terms of reference of the Nomination Committee, a copy of which is posted on the website of the Company and the Stock Exchange, are in line with the provisions of the CG Code.

The Nomination Committee has a policy concerning diversity of Board members which aims to maintain the Board with a diversity of Directors in terms of skills, experience, knowledge, expertise, culture, independence, age and gender, with a view to enhancing the quality of performance of the Board. The Nomination Committee will review the board diversity policy from time to time to ensure its effectiveness. For details of the board diversity policy of the Company, please refer to the paragraph headed "Board diversity policy" in this Corporate Governance Report.

The Nomination Committee met once during the financial year. The attendance records are set out under the section headed "Number of Meetings and Directors' Attendance" in this report. During the meeting, the Nomination Committee reviewed the structure, size and composition (including the skills, knowledge, experience and length of service) of the Board, the independence of the independent non-executive Directors and the re-appointment of the Directors standing for re-election at the upcoming annual general meeting of the Company. Findings and recommendations of the Nomination Committee were reported to the Board.

CORPORATE GOVERNANCE REPORT

(A) THE BOARD OF DIRECTORS – continued

Nomination Policy

The Board has adopted a nomination policy which sets out the selection criteria and nomination procedures for the appointment and re-appointment of Directors. A summary of the nomination policy is disclosed below:

Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- Reputation for integrity
- Accomplishment and experience in the areas of the Company's business and public board experience
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge, expertise and length of service

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Nomination Procedures

(i) Appointment by the Board

The Nomination Committee has been delegated authority to identify and recommend potential candidates to the Board on the selection of individuals nominated for directorship through different means, including recommendations from existing directors or any other means that it deems appropriate.

Once a candidate has been identified, the Company Secretary, on behalf of the Nomination Committee, will request the candidate to provide his/her biographical information and other additional information and documents deemed necessary, including but not limited to (i) information on his/her interests in the securities of the Company (if any); (ii) his/her consent to act as a Director and disclosure of information relating to his/her proposed appointment; and (iii) for an independent non-executive Director candidate, his/her declaration of independence in accordance with the criteria under the Listing Rules.

The Nomination Committee will review and take reasonable steps to verify the information obtained from the candidate and seek clarification, where required. The Nomination Committee may, at its discretion, invite the candidate to meet with the Nomination Committee members in order to assist them in their consideration of the proposed nomination or recommendation. The Nomination Committee will then make recommendations for the Board's consideration and approval.

(A) THE BOARD OF DIRECTORS – continued**Nomination Policy – continued***Nomination Procedures – continued**(ii) Appointment by the Shareholders at a general meeting*

For the procedures of shareholders' nomination of any proposed candidate for election as a Director, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director", which is available on the Company's website.

(iii) Re-Appointment at a general meeting

The Nomination Committee will review the profile of the existing Directors who have offered themselves for re-appointment to consider their suitability in the light of the Group's corporate strategy, the structure, size and composition of the Board at that time. The Nomination Committee will then make recommendations for the Board's consideration and the Board will, at its discretion, make recommendations to the Shareholders.

For those existing independent non-executive Directors, who have offered themselves for re-appointment and serve the Company more than 9 years, the Nomination Committee shall consider the reason why they are still independent and therefore eligible for re-election. The Nomination Committee will then make recommendations for the Board's consideration and the Board will make recommendations to the Shareholders.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code, namely:

- (i) to develop and review the Company's policies and practices on corporate governance;
- (ii) to review and monitor the training and continuous professional development of Directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (including in relation to securities trading) applicable to employees and Directors; and
- (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report in the Company's annual report.

The Board had held one meeting during the year at which the Board reviewed the Company's policies and practice on corporate governance and legal and regulatory compliance, training and continuous professional development participations of the Directors, as well as the Company's compliance with the CG Code.

CORPORATE GOVERNANCE REPORT**(A) THE BOARD OF DIRECTORS – continued****Conflict of Interest**

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction. The Group also adopted certain internal control policies to manage potential conflicts of interest.

Company Secretary

Mr. Ng Ho Yin Owen, the company secretary and financial controller of the Company, is an employee of the Group and has day-to-day knowledge of the Company's affairs. Mr. Ng has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biographical details of Mr. Ng is set out in the section entitled "Directors and Senior Management Profile" in this annual report.

(B) FINANCIAL REPORTING AND INTERNAL CONTROL**Financial Reporting**

The Board, supported by the financial controller and the finance and accounts department of the Company are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group. In preparing the accounts for the year ended 31 December 2024, the Directors have reviewed and applied suitable accounting policies, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, made adjustments and estimates that are prudent and reasonable, and have prepared the accounts on a going concern basis. The Directors are also responsible for keeping proper accounting records which reflect the financial information of the Group with reasonable accuracy.

External Auditor's Remuneration

The remuneration paid to the Company's external auditor, Crowe (HK) CPA Limited, in respect of audit services and non-audit services for the year ended 31 December 2024 is set out below:

Type of services provided by the external auditor	Amount of fees HK\$'000
Audit services	580
Non-audit services	–
Total	580

CORPORATE GOVERNANCE REPORT**(B) FINANCIAL REPORTING AND INTERNAL CONTROL – continued****Internal Control and Risk Management**

The Group conducts an annual review on whether there is a need for an internal audit department. Given the Group's simple operating structure, as opposed to a separate internal audit department, the Board is directly responsible for internal control and risk management of the Group and for reviewing its effectiveness.

The Board has the responsibility to maintain an effective internal control and risk management system. The Board reviews and monitors the effectiveness of the internal control and risk management systems on an annual basis to ensure that the systems in place are adequate.

The Group's internal control and risk management system is comprised of a system of controlled management wherein various authoritative limits are placed to ensure that the Group is able to supervise, control and assess various functions within Group. The system further permits the Group to safeguard its accounting records to minimize material errors in order to provide as accurate as possible financial information.

During the year under review, the Company engaged an external independent consultant to conduct a review on the internal control and risk management system of the Group in order to maintain high standards of corporate governance. The Board has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. Based on the above, the Board is of the view that the Company has established a proper internal control and risk management system which is effective and adequate.

The Company has formulated an inside information policy providing guideline on handling inside information. The Company regularly reminds the directors and employees about compliance with all policies adopted by the Company regarding inside information including the Model Code set out in Appendix C3 of the Listing Rules in relation to dealings in securities of the Company.

(C) COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of corporate information, which enable shareholders and investors to make appropriate investment decisions.

The members of the Board and Board Committees and the external auditor are present to answer shareholders' questions in the annual general meetings of the Company. Meeting circulars are distributed to all shareholders before the annual general meeting and special general meetings in accordance with the timeline requirement as laid down in the Listing Rules and the bye-laws of the Company. All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the meetings.

CORPORATE GOVERNANCE REPORT

(C) COMMUNICATION WITH SHAREHOLDERS AND INVESTORS – continued

As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any inquiries.

The Company provides guidelines to directors and employees in the handling of inside information. Along with regulatory updates, all directors and employees are reminded of compliance with the Group's policy on Inside Information.

(D) DIVIDEND POLICY

The dividend policy aims to allow shareholders of the Company to participate in the Company's profits whilst allowing the Company to retain adequate reserves for future growth.

Pursuant to the Company's dividend policy, the Company may consider paying final dividends in an aggregate amount subject to the Company's capacity to pay from accumulated and future earnings, liquidity position, fund reserve for growth and future commitments at the time of declaration of dividend. The Company may also consider paying interim dividends from time to time in addition to the final dividends.

The Company's ability to pay dividends will depend upon, among other things, the Company's current and future operations, liquidity position and capital requirements, as well as dividends received from the Company's subsidiaries. The payment of dividends is also subject to any restrictions under the laws of Bermuda, the bye-laws of the Company and any other applicable laws, rules and regulations.

A decision to declare and pay any dividend requires the approval of the Board at its discretion, subject to the laws of Bermuda, the bye-laws of the Company and any other applicable laws, rules and regulations, and any final dividends declared by the Company must also be approved by an ordinary resolution of the Shareholders at an annual general meeting and must not exceed the amount recommended by the Board.

The Board may from time to time review the dividend policy and may exercise its sole and absolute discretion to update, amend and/or modify the policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any given period.

(E) SHAREHOLDERS' RIGHTS

Convening of Special General Meetings and Requisition by Shareholders

Shareholders shall have the right to request the Board to convene a special general meeting ("SGM"). Shareholders holding in aggregate not less than one-tenth (10%) of the paid up capital of the Company may send a written request to the Board for requisition of an SGM.

The written requisition, duly signed by the shareholders concerned, must state the purpose of the meeting and must be deposited at the registered office of the Company.

The Company will take appropriate actions and make necessary arrangements and any expenses incurred in giving effect thereto will be payable in accordance with the requirements of Section 74 of the Companies Act 1981 of Bermuda (the "Companies Act") once a valid requisition is received.

Procedures for Making Proposals at General Meetings by Shareholders

The following shareholders are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company:

- (a) any members representing not less than one-twentieth (5%) of the total voting rights of the Company on the date of the requisition; or
- (b) not less than 100 members holding shares in the Company.

The requisition specifying the proposal, duly signed by the shareholders concerned, together with a statement with respect to the matter referred to in the proposal must be deposited at the registered office of the Company. The Company will take appropriate actions and make necessary arrangements and the shareholders concerned will be responsible for any expenses incurred in giving effect thereto in accordance with the requirements of Sections 79 and 80 of the Companies Act once valid documents are received.

As regards to proposing a person other than the retiring Director for election as a Director in a general meeting, please refer to the procedures available on the website of the Company.

Shareholders may write directly to the Company at its principal place of business in Hong Kong with any inquiries.

(F) CONSTITUTIONAL DOCUMENTS

There is no change to the constitutional documents of the Company during the year ended 31 December 2024.

WING LEE PROPERTY INVESTMENTS LIMITED

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

This is the Group's Environmental, Social and Governance (the "ESG") report which focuses on the Group's environmental, social & governance initiatives. When preparing this report, references have been made to Appendix C2 of the Listing Rules (the "ESG Reporting Guide").

The Group has complied with the "Comply or Explain" provisions set out in the ESG Reporting Guide for the year ended 31 December 2024.

The initiatives of the Group in implementing environment and social-related policies are as follows:

- 1) To optimize efficient use of resources in efforts to minimize impact on the environment and natural resources;
- 2) To encourage employees and tenants to be environmentally conscientious; and
- 3) To contribute to the community's well-being.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant ESG aspects for the Group to report on for this ESG report, key stakeholders such as investors, shareholders and employees have been taken into consideration. As the Group is principally engaged in the leasing of completed properties, the Group did not have any major suppliers, therefore disclosures relating to supply chain management and certain aspects of product responsibility as set forth in the ESG Reporting Guide is not applicable to the Group.

Through our regular engagement activities (as set out below), we are able to keep an ongoing dialogue with our stakeholders, enabling us to make more informed decisions, and better assess and manage any resulting impact.

Stakeholder	Engagement Activities
Investors and shareholders	<ul style="list-style-type: none">• Shareholders' meetings• Financial reports and other disclosure documents• Corporate website
Customers	<ul style="list-style-type: none">• Feedback from front-line employees• Designated customer hotline• Corporate website
Suppliers	<ul style="list-style-type: none">• Suppliers' evaluation procedure

WING LEE PROPERTY INVESTMENTS LIMITED

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Stakeholder	Engagement Activities
Employees	<ul style="list-style-type: none">• Training, seminars, briefing sessions• Regular review on remuneration package and occupational safety• Face-to-face meetings• Independent focus groups and interviews
Communities	<ul style="list-style-type: none">• Sponsorship and donation
Government and regulators	<ul style="list-style-type: none">• Compliance with laws and regulations

The Group welcomes stakeholders' feedback on our ESG approach and performance. Suggestions can be sent to us via e-mail at ESG@wingleproperties.com.

ENVIRONMENTAL

The Group believes that increased environmental awareness is the key to environmental protection and wellness to the general community. It is the Group's policy to ensure compliance with applicable environmental laws and regulations and minimise our environmental footprint through efficient use of resources and adoption of pro-environmental technologies. The Group endeavours to promote environmental conscientiousness not just to employees but to its tenants as well. As the Group is in the business of leasing completed commercial, residential and industrial space, its business produces minimal environmental emissions and discharges.

The Group's main office headquarters are located in Hong Kong and the main emissions and wastes produced by the Group are primarily attributable to its use of electricity, water and paper. The Group does not produce any hazardous waste in its operations. Further, as the Group is not engaged in producing finished goods, the Group does not produce any waste as a result of use of packaging materials for finished goods in its operation.

Given the nature of the Group's business, the Company believes that its business operations have minimal direct impact on the environment and natural resources. The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the environment and natural resources relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Electricity

The Group endeavors to conserve energy by utilising energy efficient equipment and light fixtures. Employees are encouraged to save energy by turning off lights and equipment when not in use. Heat deflecting films are also used on windows to maintain a lower temperature in the office so as to ensure efficient use of air conditioning.

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Electricity consumed by the Group's headquarters in its normal business operations is supplied by China Light & Power (CLP). The electricity consumption by the Group at its office headquarters was approximately 17,379 kWh (2023: 16,995 kWh), producing CO₂ equivalent emissions of approximately 6,777.8 kg (2023: 6,628.05 kg) and an energy consumption intensity of approximately 130.18 kWh per square meter (2023: 120.30 kWh per square meter) during the year. There was no material change in the electricity usage as compared to the previous year. The Group continues to closely monitor the use of resources and reports to the senior management. If necessary, appropriate action will be taken to improve the efficiency of the use of resources.

Water

There is no direct water supply to the office apart from water uses/effluent discharges at shared facilities of the office building for which no usage statistics are available. Water consumption by the Group for the year involved mainly bottled drinking water used at its offices premises and the Group's business operations do not require any other water usage. The Group's office headquarters utilised a total of approximately 0.92 m³ (2023: 0.92 m³) of drinking water with a water consumption intensity of approximately 0.13 m³ per employee (2023: 0.13 m³ per employee) for domestic consumption during the year. There was no material change in the water usage as compared to the previous year. The Group continues to closely monitor the use of resources and reports to the senior management. If necessary, appropriate action will be taken to improve the efficiency of the use of resources.

Paper

The Group encourages employees to go paperless as much as possible by limiting print outs as well as communicating via e-mail as opposed to fax. Employees are also encouraged to re-use paper and conserve paper usage by printing double-sided to the extent practicable. The Group has not otherwise adopted any dedicated recycling programme regarding paper uses.

During the year, the Group used a total of approximately 180.78 kg (2023: 491.01 kg) of print paper in its normal business operations of which approximately 80.78 kg (2023: 366.01 kg) were attributable to printed materials distributed to shareholders. The decrease in paper consumption for printed material distributed to shareholders was due to the Group having adopted new arrangements on dissemination of corporate communications, from physical copy to electronic dissemination in 2024. The total CO₂ equivalent emissions for the paper used was approximately 867.74 kg (2023: 2,356.85 kg) of which approximately 387.74 kg (2023: 1,756.83 kg) was attributable to printed materials distributed to shareholders.

Gasoline

The Group encourages employees to always keep the environment in mind when undertaking business activities including use of public transportation to travel to properties. Employees are encouraged to optimize resources to help the Group minimize its impact on the environment and natural resources.

The Group did not own any private motor vehicle in 2023 and 2024. There was no emissions data related to unleaded petrol consumption in 2023 and 2024.

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT**The Environment and Natural Resources**

Due to the nature of our business, its daily operation posed no significant adverse impact on the environment.

We abide by the relevant laws and regulations. There were no cases of non-compliance in relation to emissions and the environment within the reporting scope during the reporting period. Looking ahead, we will continuously assess our environment risks so as to formulate appropriate response measures and regularly review.

Climate Change

Due to our nature of business, our daily operation posed no significant adverse impact on climate-related issues and we have not identified any significant climate-related issues which have impacted or may impact our daily operation.

SOCIAL**Employment**

As at 31 December 2024, the Group had 7 full time employees (2023: 7 full time employees) in Hong Kong. In 2024, the employee turnover rate was 0%. 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. The employees are also entitled to medical insurance, participation in the mandatory provident fund (under which a fixed percentage (subject to statutory cap) of an employee's salary will be contributed toward the scheme) and various types of paid leave.

To maintain work-life balance, the Company holds monthly lunch gatherings when possible. The Group also encourages its employees to work and rest in accordance with the working hours and rest periods stipulated by the relevant laws and regulations in Hong Kong.

The Group is not aware of any material non-compliance with any relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare during the reporting period.

Work force by Gender

	2024	2023
	Percentage (%)	Percentage (%)
Male	28.6	28.6
Female	71.4	71.4

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Workforce by Age Group

	18-25	26-35	36-45	46-55	56 and above
2024	0%	0%	42.8%	0%	57.2%
2023	0%	0%	42.8%	0%	57.2%

Employee Health and Safety

The Group endeavours to provide a safe working environment for its employees. As part of the Group's employee health and safety policy, the Group has adopted the Occupational Health for Office Workers guideline published by the Occupational Safety and Health Branch, Labour Department. During the reporting period, no work related fatalities or lost days due to work injury were recorded.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards during the reporting period.

Development and Training

All new employees are required to attend orientation training to ensure employees are aware of the Group's values and goals and to ensure employees understand their roles in the Group. Employees are encouraged to attend seminars relevant to their positions to enhance their roles within the Group.

During the reporting period, all employees attended an ESG training course with an average of four training hours per employee. Each employee was trained for the same number of hours during the reporting period i.e. the average training hours completed per employee by gender and employee category were both 4 hours.

Labour Standard

All employees are recruited through the Human Resources Department to ensure they fulfill the job requirements underlying their respective positions.

The Group regularly reviews its employment practice and Group's guidelines on staff recruitment to ensure that it is in full compliance with the Employment Ordinance and other regulations related to, among other things, prevention of child labour and forced labour.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to prevention of child and forced labour.

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

OPERATING PRACTICES

Property Maintenance, Supply Chain Management and Personal Data Practices:

The Group endeavours to ensure all properties are kept well maintained. Spot checks as well as annual review by an authorized person is performed on all properties to ensure properties are in line with government rules and regulations.

In ensuring that our investment properties are well maintained, the Group uses 8 suppliers and contractors in Hong Kong. It is expected that our suppliers and contractors will adhere to respectable performance standards whilst employing the most pro-environmental methods to do work. We encourage our suppliers and contractors to promote environmental and social conscientiousness.

To further ensure that the Group employs the correct suppliers and contractors for larger projects, tenders are requested and processed through a transparent and fair procedure headed by the maintenance department.

In order to control the quality and performance of these vendors, thorough screening procedures have been performed on each vendor. The selection basis is based on the following criteria:

- Previous experience and past performance
- Reliability and responsiveness
- Financial status
- Any relationship with staff, if applicable, disclosed
- Fee/price of service/product
- Credit terms

Concerning our previous experience with the repair and maintenance vendors, we look into their services as to whether they take environmental protection into consideration. We select vendors that use environmentally safe and non-toxic paints and other environmental friendly materials.

The Group's policy on Privacy of Personal Data provides guidelines for managing different kinds of personal data and the establishment of a privacy framework that secures the personal data of our tenants. Data are stored in a computer server room which is only accessible by authorized personal. Our IT system is periodically reviewed and reported to management to ensure that all networks are well protected from potential intrusion.

As stipulated in the property management agreements, we should not, at any time during or after the term of the agreements, disclose to any person any information in relation to any of the properties without prior written consent of our clients, unless and to the extent that it is necessary to make such disclosure.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Anti-Corruption

The Group adopts a zero-tolerance policy on bribery, extortion, fraud and money laundering. It is also the responsibility of all employees to maintain ethical behavior. All financials are triple checked through different levels of personnel to ensure compliance with all relevant laws and regulations relating to bribery, extortion, fraud and money laundering. All employees are encouraged to raise any related concerns to the senior management in a strictly confidential manner. Any matters of genuine concern are to be thoroughly investigated and actions will be taken accordingly.

During the reporting period, there were no suspected or concluded legal cases regarding corrupt practices brought against the Company or its employees.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering during the reporting period.

To raise employees' awareness of anti-corruption and anti-money laundering, we provide regular training on the latest regulatory updates and best practices.

Whistle-blowing Mechanism

We have established a whistle-blowing policy which is intended to encourage and enable employees and other stakeholders to report violations or suspected violations of applicable laws and regulations and to raise serious concerns about possible improprieties in matters of financial reporting or other matters in the Group. It is the responsibility of all Directors and employees of the Group to comply with the policy by reporting violations or suspected violations of applicable laws and regulations. Any employee should report promptly to the chairman of our Audit Committee or his designee of any unethical or improper practices noted. All such questions, concerns, suggestions or complaints should be sent in writing to the chairman of our Audit Committee or his designee by email or post.

Community

Community Investment

The Group encourages young minds to reach their potential. The Group donated HK\$50,000 to The University of Hong Kong, Wing Lee Entrance Scholarship during 2024 in efforts to encourage youths to achieve their personal goals. The scholarship is awarded to those students on the basis of academic performance from the public examination for admission to the University of Hong Kong.

OTHER INFORMATION

Consistent with the disclosure requirements stated in the Company's listing document dated 28 February 2013 (the "Listing Document"), the following are the details of the properties held by the controlling shareholders and directors of the Company as at 31 December 2024.

PROPERTIES HELD BY THE DIRECTORS AND OUR CONTROLLING SHAREHOLDERS

Personal Investments

As at 31 December 2024, Ms. Wong Siu Wah ("Ms. Wong") and Ms. Chau Choi Fa ("Ms. Chau") both of whom are executive directors of the Company were, in addition to their personal residences and save as disclosed under the paragraph headed "Properties held by controlling shareholders", interested in the following properties in Hong Kong and the PRC (being the territories in which the Group owns properties) (the "Personal Investments"):

- (i) a commercial property located at G/F and cockloft (otherwise called mezzanine floor), No. 99 Queen's Road East, Hong Kong with a saleable floor area of approximately 610 sq. ft. (with yard: 50 sq. ft. and cockloft: 400 sq. ft.) (*Note 1*);
- (ii) a commercial property located at Shop B5 on G/F and Cockloft, Tai Wong Building, Nos. 3-5 Tai Wong Street East, Hong Kong with a saleable floor area of approximately 1,090 sq. ft. (with yard: 35 sq. ft. and cockloft: 440 sq. ft.) (*Note 1*);
- (iii) a commercial property located at 2/F, No. 61 Wellington Street, Hong Kong with a saleable floor area of approximately 470 sq. ft. (*Note 1*);
- (iv) a commercial property located at G/F and cockloft, No. 299 Portland Street, Kowloon with a saleable floor area of approximately 620 sq. ft. (with cockloft: 460 sq. ft.) (*Note 1*);

Notes:

- 1. This property is held by Ms. Chau and Ms. Wong or companies jointly owned by Ms. Chau and Ms. Wong.

Ms. Chau and Ms. Wong also hold one property in Tai Tam and two properties in Jardine's Lookout Garden Mansion, which are used as personal residences of Ms. Chau, Ms. Wong and/or their respective family members.

The aggregate rental income of the Personal Investments for the year ended 31 December 2024 was approximately HK\$3.6 million and the aggregate fair value of the Personal Investments as at 31 December 2024 was approximately HK\$91.8 million.

Saved as disclosed above, no Director or controlling shareholder has interest in investment properties in jurisdictions in which the Group held investment properties during the year ended 31 December 2024.

Taking into account the number and availability of alternative units in the Hong Kong property market, and given that the size of the Group's property portfolio in Hong Kong is significantly larger than that of the Personal Investments and Retained Properties in Hong Kong, and properties located in the PRC are not the Company's investment focus, the Board is of the view that competition from the holding of properties by the controlling shareholders and Directors as set out above with the business of the Group is not extreme.

In addition, given the independence of the Group from the controlling shareholders in terms of boards and management, operation, finance and administrative capability and clear delineation of business amongst them as detailed in the Listing Document, the Board is satisfied that the Group is capable of carrying on its business independently from the controlling shareholders (including their respective associates).

OTHER INFORMATION

PROPERTIES HELD BY THE DIRECTORS AND OUR CONTROLLING SHAREHOLDERS – continued

Personal Investments – continued

Confirmation of compliance with internal policy and deed of non-competition

The Directors confirmed that they have complied with the Company's internal policy on property transactions. Our controlling shareholders (namely Mr. Chow Tak Hung and Bright Asia), Ms. Chow Woon Yin and Ms. Wong (collectively the "Covenantors"), both of whom are also shareholders of Bright Asia, have also confirmed that they have complied with the provisions of the deed of non-competition dated 6 February 2013 (the "Deed of Non-competition") entered into by them in favour of the Company.

PROPERTIES WITH BUILDING ORDERS AND/OR WARNING NOTICES REGISTERED AGAINST THEIR TITLE

Certain of our properties are encumbered with building orders and/or warning notices, details of which have been disclosed in the Listing Document. Set out below is a summary the latest progress of rectification of building orders and warning notices of the Group's properties as at 18 March 2025, being the latest date for ascertaining information in relation to these building orders and warning notices.

Property/ Building concerned	Subject of legal compliance issue	Status as at 18 March 2025
656-658 Shanghai Street, Kowloon	One warning notice was issued to owners of the building in relation to mandatory building inspection for common areas.	We will liaise with the other owners of the building to satisfy the subject matter in these orders. At the same time, the Building Department is also appointing a building consultant to rectify the subject matter in this order.
20 Lok Kwan Street, Kowloon	Two warning notices were issued to incorporated owners of the building in relation to mandatory building inspection and mandatory window inspection for common areas.	We will liaise with the incorporated owners of the building to satisfy the subject matter in these orders. At the same time, the Building Department is also appointing a building consultant to rectify the subject matter in this order.
Cheong Hong Mansions, Nos. 25-33 Johnston Road, Nos. 1-3 Thomson Road, No. 2 Fenwick Street, Hong Kong	Five warning notices were issued to incorporated owners of the building, two were related to defective underground drainage, two were related to mandatory building inspection and mandatory window inspection for common areas. and one was to reinstate loose concrete on the external wall on one of the above unit.	We will liaise with the incorporated owners of the building to satisfy the subject matter in these orders.

DIRECTORS' REPORT

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are property investments, principally, the leasing of completed commercial and residential properties in Hong Kong.

BUSINESS REVIEW

The business review of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the Chairperson's Statement, Management Discussion and Analysis, and Environmental, Social and Governance Report set out on pages 3 to 5, 6 to 11 and 28 to 34 of this annual report respectively. Description of the risks and uncertainties facing the Company can be found throughout this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 55.

The Board does not recommend the payment of a final dividend for the years ended 31 December 2024 and 2023.

There is no arrangement under which a shareholder of the Company has waived or agreed to waive any future dividends.

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 9 June 2025 (Monday) to 12 June 2025 (Thursday), 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 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 6 June 2025 (Friday).

DONATIONS

Charitable donations made by the Group during the year amounted to HK\$50,000 (2023: HK\$50,000).

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 115. The summary does not form part of the audited consolidated financial statements.

INVESTMENT PROPERTIES

The Group did not acquire any investment property during the year. Details of the movements in investment properties of the Group during the year are set out in note 11 to the consolidated financial statements.

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

PROPERTY, PLANT AND EQUIPMENT

The Group did not acquire any property, plant and equipment during the year. Details of the movements in property, plant and equipment of the Group during the year are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 22(c) to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries redeemed, sold, 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.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 22(a) to the consolidated financial statements and in the consolidated statement of changes in equity on page 58 respectively.

DISTRIBUTABLE RESERVES

At 31 December 2024, the distributable reserves of the Company amounted to approximately Nil, calculated in accordance with the Companies Act 1981 of Bermuda (as amended) (2023: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

In relation to the Group's property leasing business, the percentages of gross rental income for the year ended 31 December 2024 attributable to the largest tenant and the five largest tenants in aggregate were approximately 10.6% and 39.2% respectively.

Taking into account the nature of the Group's business and operations, the Group did not have any major suppliers in relation to its property investment business during the year.

None of the Directors, their close associates or any shareholders, which to the knowledge of the Directors own more than 5% of the Company's issued share capital, had any interest in the share capital of the five largest tenants of the Group.

DIRECTORS' REPORT

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Ms. Chau Choi Fa (*Chairperson*)

Ms. Wong Siu Wah (*Chief Executive Officer*)

Ms. Wong Vivien Man-Li

Ms. Chow Woon Yin

Independent non-executive directors:

Mr. Lam John Cheung-wah

Mr. Chui Chi Yun Robert

Mr. Lam Kwok Cheong

In accordance with bye-law 84(1) of the Company's bye-laws, Ms. Wong Siu Wah, Ms. Chow Woon Yin and Mr. Lam Kwok Cheong will retire by rotation at the forthcoming annual general meeting of the Company ("AGM") and being eligible, offer themselves for election.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors of the Company has entered into a letter of appointment with the Company for a term of three years commencing on 6 February 2025 and either the executive Director or the Company may terminate the letter of appointment by giving the other party not less than three months' notice in writing.

Each of Mr. Lam John Cheung-wah, Mr. Chui Chi Yun Robert and Mr. Lam Kwok Cheong has entered into a letter of appointment with the Company for a term of one year and either the independent non-executive Director or the Company may terminate the letter of appointment by giving the other party not less than three months' notice in writing.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract or letter of appointment with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

Under the letters of appointment, each of the Directors is entitled to an indemnity in his/her favour to the extent such indemnity applies pursuant to the bye-laws of the Company. Such permitted indemnity provision was in force during the year ended 31 December 2024.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Other than those disclosed in this report, there were no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or an entity connected with a director of the Company had a material interest, whether directly or indirectly, which subsisted at the end of the year or at any time during the year ended 31 December 2024.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

There was no contract of significance between any members of the Group and the Company's controlling shareholders or their subsidiaries and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisting at the end of the year or at any time during the year ended 31 December 2024.

TAX RELIEF

The Company is not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

REMUNERATION POLICY

The remuneration policy of the employees of the Group is set up by the Remuneration Committee and is based on merit, qualifications and competence of employees.

The remuneration policy of the Directors are decided by the Remuneration Committee having regard to the Group's operating results, individual performance and comparable market statistics.

Pursuant to E.1.5 of the CG Code, the remuneration of the senior management of the Company by band is set out in Note 9 of the consolidated financial statements.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company (not being a contract of service with any Director or any person in its full-time employment) was entered into or was subsisting during the year.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2024, the interests or short positions of the Directors and the chief executive of the Company in the shares of the Company ("Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

Long positions in the Shares

Name of Director	Capacity/ Nature of Interest	Number of Shares	Number of underlying shares held under equity derivatives (Note 1)	Total	Approximate percentage of interest in the Company's issued share capital (Note 2)
Ms. Chau Choi Fa	Interest of spouse (Note 3) Beneficial interest (Note 4)	286,011,324 –	– 1,544,700	287,556,024	74.462%
Ms. Wong Siu Wah	Beneficial interest	–	15,447,028	15,447,028	4.000%
Ms. Wong Vivien Man-Li	Beneficial interest	9,638	15,447,028	15,456,666	4.002%
Ms. Chow Woon Yin	Beneficial interest	–	11,585,271	11,585,271	3.000%

Notes:

- These underlying shares of the Company held under equity derivatives represented the share options granted by the Company under the share option scheme. Particulars of these share options and their movements during the year ended 31 December 2024 are set out in the section headed "Share Option Scheme" in this Directors' Report.
- The percentage of the Company's issued share capital is based on the 386,175,758 Shares issued as at 31 December 2024.
- Ms. Chau Choi Fa is the spouse of Mr. Chow Tak Hung. Mr. Chow Tak Hung holds 60% interest in Bright Asia Holdings Limited ("Bright Asia"). Bright Asia held 286,011,324 Shares (representing approximately 74.06% of the issued Shares). By virtue of Part XV of the SFO, Ms. Chau Choi Fa (being the spouse of Mr. Chow Tak Hung) is deemed to be interested in those 287,556,024 Shares.
- These underlying shares of the Company held under equity derivatives represented the share options granted by the Company under the share option scheme. Particulars of these share options and their movements during the year ended 31 December 2024 are set out in the section headed "Share Option Scheme" in this Directors' Report.

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

Long positions in the issued share capital of the Company's associated corporations (as defined in the SFO)

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of shares (description)	Percentage of such associated corporation's issued share capital
Ms. Wong Siu Wah	Bright Asia (Note 1)	Beneficial interest	2,000 (ordinary shares)	20%
Ms. Chow Woon Yin	Bright Asia (Note 1)	Beneficial Interest	2,000 (ordinary shares)	20%
Ms. Chau Choi Fa	Bright Asia (Note 1)	Interest of spouse (Note 2)	6,000 (ordinary shares)	60%

Notes:

1. Bright Asia is interested in 286,011,324 Shares (representing approximately 74.06% of the issued Shares). Bright Asia is therefore a holding company of the Company, and an associated corporation of the Company for the purposes of the SFO.
2. Ms. Chau Choi Fa is the spouse of Mr. Chow Tak Hung, who holds 60% interest in Bright Asia.

SHARE OPTION SCHEME

The shareholders of the Company ("Shareholders") approved the adoption of a share option scheme (the "Scheme") at the Company's annual general meeting held on 31 March 2015, pursuant to the which the Board may, at its absolute discretion be entitled to make an offer of the grant of an option to any eligible persons to subscribe for Shares, subject to the terms and conditions of the Scheme. The purpose of the Scheme is to reward eligible participants who have contributed or will contribute to the Group and to provide incentive for the eligible participants to work towards enhancing the value of the Company, and to maintain or attract business relationships with eligible participants whose contributions are or may be beneficial to the growth of the Group.

Eligible participants (the "Participants") of the Scheme comprise (a) Directors; (b) employees of the Group; and (c) any advisors, consultants, business partners, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

DIRECTORS' REPORT

The maximum number of Shares which may be issued upon exercise of all options granted or to be granted under the Scheme ("Options") and any other share option schemes of the Company shall not in aggregate exceed 10% in nominal amount of the Shares in issue on the date the Scheme was adopted, unless approval is obtained from the Shareholders. The refreshment of the 10% limit on the grant of Options under the Scheme was approved by Shareholders on 27 May 2022. Upon the refreshment of the 10% limit ("Refreshed Share Option Limit") and as at the date of this Annual Report, taking into account the 32,052,581 Shares that may be issued upon exercise of the outstanding Options and the Refreshed Share Option Limit of 38,617,575 Shares, there were in total 70,670,156 Shares available for issue under the Scheme, representing approximately 18.3% of the issued Shares as at the date of this Annual Report.

The maximum number of Shares issued and to be issued upon exercise of the Options granted to each grantee under the Scheme (including both exercised and outstanding Options) in any 12-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of the Company) exceed 1% of the Shares in issue for the time being. Any further grant of share Options in excess of this limit is subject to Shareholders' approval in a general meeting.

Any grant of Options to any Director, chief executive or substantial shareholder (as such term as defined in the Listing Rules) of the Company, or any of their respective associates under the Scheme is subject to the prior approval of the independent non-executive Directors (excluding independent non-executive Directors who are the proposed grantees of the Options in question). Where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5 million, such grant will be subject to prior approval of the Shareholders.

An offer shall remain open for acceptance by the Participant concerned for a period of five business days from the date of grant provided that no offer shall be open for acceptance after the expiry of the period as notified by the Board to the grantee at the time of making the grant but which shall not expire later than 10 years from the date of grant (the "Option Period"), or after the Scheme is terminated or after the Participant has ceased to be a Participant. HK\$1.00 is payable as consideration for acceptance of the Option.

The Board may, at its discretion, determine the minimum period for which an Option must be held before it can be exercised, but subject to the aforesaid, an Option may be exercised in accordance with the terms of the Scheme at any time during the Option Period.

The exercise price of the Option is determined by the Board, and will not be less than the higher of (i) the closing price of the Shares on the date of grant, (ii) the average closing price of the Shares for the five business days immediately preceding the date of grant and (iii) the nominal value of the Shares.

The Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption, 31 March 2015.

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

The Company has not granted any share options under the Scheme during the reporting period. Details of the outstanding share options and the movements of the share options granted to the Directors under the Scheme during the reporting period were as follows:

Name or category of the participants	Number of share options					Date of grant of the share options (Note 6)	Exercise period of the share options	Exercise price of the share options HK\$ per share	Fair value of the share options granted to each category of participants as at the date of grant HK\$
	Outstanding as at 1 January 2024	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding as at 31 December 2024				
Executive Directors									
Ms. Chau Choi Fa	386,175	–	–	–	386,175	16/12/2016	16/12/2016-15/12/2026	1.254 (Note 1)	250,507
	386,175	–	–	–	386,175	8/12/2020	8/12/2020-7/12/2030	0.385 (Note 2)	72,589
	386,175	–	–	–	386,175	30/3/2022	30/3/2022-29/3/2032	0.410 (Note 3)	83,012
	386,175	–	–	–	386,175	27/10/2023	27/10/2023-26/10/2033	0.184 (Note 4)	35,816
Ms. Wong Siu Wah	3,861,757	–	–	–	3,861,757	16/12/2016	16/12/2016-15/12/2026	1.254 (Note 1)	2,505,070
	3,861,757	–	–	–	3,861,757	8/12/2020	8/12/2020-7/12/2030	0.385 (Note 2)	725,899
	3,861,757	–	–	–	3,861,757	30/3/2022	30/3/2022-29/3/2032	0.410 (Note 3)	830,121
	3,861,757	–	–	–	3,861,757	27/10/2023	27/10/2023-26/10/2033	0.184 (Note 4)	358,166
Ms. Wong Vivien Man-Li	3,861,757	–	–	–	3,861,757	16/12/2016	16/12/2016-15/12/2026	1.254 (Note 1)	2,505,070
	3,861,757	–	–	–	3,861,757	8/12/2020	8/12/2020-7/12/2030	0.385 (Note 2)	725,899
	3,861,757	–	–	–	3,861,757	30/3/2022	30/3/2022-29/3/2032	0.410 (Note 3)	830,121
	3,861,757	–	–	–	3,861,757	27/10/2023	27/10/2023-26/10/2033	0.184 (Note 4)	358,166
Ms. Chow Woon Yin	3,861,757	–	–	–	3,861,757	8/12/2020	8/12/2020-7/12/2030	0.385 (Note 2)	725,899
	3,861,757	–	–	–	3,861,757	30/3/2022	30/3/2022-29/3/2032	0.410 (Note 3)	830,121
	3,861,757	–	–	–	3,861,757	27/10/2023	27/10/2023-26/10/2033	0.184 (Note 4)	358,166
	44,024,027	–	–	–	44,024,027				11,194,622

Notes:

- The Company's Shares closed at HK\$1.24 on 15 December 2016, being the date immediately before the date of grant.
- The Company's Shares closed at HK\$0.385 on 7 December 2020, being the date immediately before the date of grant.
- The Company's Shares closed at HK\$0.410 on 29 March 2022, being the date immediately before the date of grant.
- The Company's Shares closed at HK\$0.174 on 26 October 2023, being the date immediately before the date of grant.
- None of the share options is subject to any vesting period, performance target and/or clawback mechanism.
- A total of 11,971,446 share options (none of which is subject to any vesting period) were granted under the Scheme on 16 December 2016 and 3,861,757 of which were granted to a former director who resigned on 19 September 2018 and lapsed in 2018. A total of 11,971,446 share options (none of which is subject to any vesting period) were granted under the Scheme on 8 December 2020. A total of 11,971,446 share options (none of which is subject to any vesting period) were granted under the Scheme on 30 March 2022. A total of 11,971,446 share options (none of which is subject to any vesting period) were granted under the Scheme on 27 October 2023.

No share options were granted, exercised, cancelled or lapsed under the Scheme during the reporting period.

As at 1 January 2024 and 31 December 2024, the number of shares available for grant under the scheme mandate limit was 26,646,129 Shares.

The number of Shares that may be issued in respect of share options granted under the Scheme during the year ended 31 December 2024 is 0 as the Company has not granted any share options under the Scheme during reporting period.

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

The fair value of the equity-settled share options granted on 16 December 2016 was HK\$7,765,717 which was estimated as at the date of grant, using the Binomial option pricing model. The inputs into the model were as follows:

Model	Binomial
Number of share options	11,971,446
Expected/contractual life	10 years
Exercise price per share	HK\$1.254
Exercise multiple	2.8
Expected volatility	48.9%
Risk-free interest rate	1.813%
Expected dividend yield	N/A

The fair value of the equity-settled share options granted on 8 December 2020 was HK\$2,250,286 which was estimated as at the date of grant, using the Binomial option pricing model. The inputs into the model were as follows:

Model	Binomial
Number of share options	11,971,446
Expected/contractual life	10 years
Exercise price per share	HK\$0.385
Exercise multiple	2.8
Expected volatility	44.6%
Risk-free interest rate	0.592%
Expected dividend yield	N/A

The fair value of the equity-settled share options granted on 30 March 2022 was HK\$2,573,375 which was estimated as at the date of grant, using the Binomial option pricing model. The inputs into the model were as follows:

Model	Binomial
Number of share options	11,971,446
Expected/contractual life	10 years
Exercise price per share	HK\$0.410
Exercise multiple	2.8
Expected volatility	47.9%
Risk-free interest rate	2.160%
Expected dividend yield	N/A

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

The fair value of the equity-settled share options granted on 27 October 2023 was HK\$1,110,313 which was estimated as at the date of grant, using the Binomial option pricing model. The inputs into the model were as follows:

Model	Binomial
Number of share options	11,971,446
Expected/contractual life	10 years
Exercise price per share	HK\$0.184
Exercise multiple	2.8
Expected volatility	47.3%
Risk-free interest rate	4.095%
Expected dividend yield	N/A

As the Binomial models require the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Expected volatility used in the valuation of options was determined by using the historical volatility of the Company's share price since the Company's shares were listed on the Stock Exchange in March 2013. The contractual life used in the Binominal model is the full life of share options from date of grant to expiry date provided by the Company. For estimation of the early exercise behaviour of directors, the management assumed an exercise multiple of 2.8 times for options granted in 2016, 2020, 2022 and 2023 based on a research on the exercise behaviour of the Company's directors.

No other feature of the share options granted was incorporated into the measurement of fair value.

There were 44,024,027 share options outstanding under the Scheme as at the date of this annual report. The exercise in full of the share options in the Company would result in the issue of 44,024,027 additional ordinary shares which represents approximately 11.4% of the total issued share capital of the Company as at the date of this annual report.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, so far as was known to the Directors or chief executive of the Company, the following persons (not being a Director or the chief executive officer of the Company) had an interest or a short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Capacity/ Nature of Interest	Number of Shares	Number of underlying shares held under equity derivatives (Note 1)	Total	Approximate percentage of interest in the Company's issued share capital (Note 2)
Bright Asia	Beneficial interest	286,011,324	–	286,011,324	74.06%
Mr. Chow Tak Hung	Interest in controlled corporation (Note 3)	286,011,324	–		
	Interest of spouse (Note 4)	–	1,544,700		
				287,556,024	74.46%

Notes:

- These underlying shares of the Company held under equity derivatives represented the share options granted by the Company under the share option scheme. Particulars of these share options and their movements during the year ended 31 December 2024 are set out in the section headed "Share Option Scheme".
- The percentage of interest in the Company's issued share capital is calculated based on the 386,175,758 Shares issued as at 31 December 2024.
- Mr. Chow Tak Hung held 60% of the issued share capital of Bright Asia. Mr. Chow Tak Hung is therefore deemed under the SFO to be interested in the 286,011,324 Shares held by Bright Asia held.
- Mr. Chow Tak Hung is the spouse of Ms. Chau Choi Fa, an executive Director. By virtue of Part XV of the SFO, Mr. Chow Tuk Hung (being the spouse of Ms. Chau Choi Fa) is deemed to be interested in the 1,544,700 underlying Shares in which Ms. Chau Choi Fa is interested pursuant to the share options granted under the share option scheme of the Company. Particulars of these share options and their movements during the year ended 31 December 2024 are set out in the section headed "Share Option Scheme".

CONNECTED TRANSACTIONS

The related party transactions as mentioned in note 24 to the consolidated financial statements constitute connected transaction or continuing connected transaction of the Company (as the case may be) under Chapter 14A of the Listing Rules. However, such transactions are fully exempt from the reporting, annual review, shareholders' approval and disclosure requirements under Chapter 14A of the Listing Rules as they fall within the de minimis exemption under Rule 14A.76(1). During the year, the Group has not entered into any connected transactions that are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

WING LEE PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

DISCLOSURE REQUIRED UNDER RULE 13.51B(1) OF THE LISTING RULES

Mr. Lam Kwok Cheong, one of our independent non-executive directors, has retired as an independent non-executive director of New Sparkle Poll International Group Limited (stock code: 970) with effect from 23 April 2024.

Mr. Lam John Cheung-wah, one of our independent non-executive directors, has resigned as an independent non-executive director of C&D Newin Paper & Pulp Corporation Limited (formerly known as Samson Paper Holdings Limited) (stock code: 731), with effect from 31 October 2024.

Mr. Ng Ho Yin Owen, the company secretary and financial controller of the Company, was appointed as an independent non-executive director of Beijing Airdoc Technology Co., Ltd. (stock code: 2251) with effect from 18 October 2024.

Other than those disclosed above, there is no information in respect of the above directors and any other directors of the Company required to be disclosed pursuant to Rules 13.51B(1) and 13.51B(3) of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this report and based on publicly available information and the best knowledge of the Directors, the Company has sufficient public float as required under Rule 8.08 of the Listing Rules.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Crowe (HK) CPA Limited as auditor of the Company.

On behalf of the Board

Chau Choi Fa

Chairperson

Hong Kong, 18 March 2025



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF
WING LEE PROPERTY INVESTMENTS LIMITED
(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Wing Lee Property Investments Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 55 to 114, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

Refer to the accounting policy in Note 2(g) and Notes 3(a) and 11 to the consolidated financial statements

The key audit matter

The aggregate fair values of the Group's investment properties as at 31 December 2024 amounted to approximately HK\$604 million, representing approximately 80% of the Group's total assets as at that date.

The net decrease in fair values of the Group's investment properties recorded in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 amounted to approximately HK\$247.3 million.

The Group's investment properties, which are located in Hong Kong, mainly comprise office premises, retail shops, industrial premises, residential premises and car parking bays.

The fair values of the Group's investment properties were assessed by the directors of the Company based on independent valuations prepared by qualified external property valuers in accordance with recognised industry standards.

We identified valuation of the Group's investment properties as a key audit matter because of the significance of investment properties to the Group's consolidated financial statements and because the determination of the fair values involves significant judgement and estimation which could be subject to management bias.

How the matter was addressed in our audit

Our audit procedures to assess the valuation of the investment properties included the following:

- obtaining and inspecting the valuation reports prepared by the external property valuers engaged by the Group and on which the directors' assessment of the fair values of investment properties was based;
- assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity and independence;
- with the assistance of our internal property valuation specialists, discussing with the external property valuers, without the presence of management, their valuation methodology and challenging the key estimates and assumptions adopted in the valuations by comparing comparable market transactions with available market data and by utilising the industry knowledge and experience of our internal property valuation specialists; and
- performing market research and analysis to assess whether the changes in fair value of investment properties resulted from the valuation was reasonable and consistent with market trends to our knowledge.

INDEPENDENT AUDITOR'S REPORT

Valuation of equity instrument designated at fair value through other comprehensive income (FVOCI)

Refer to the accounting policy in Note 2(f) and Notes 3(b), 14 and 23(f) to the consolidated financial statements

The key audit matter

The Group holds an unlisted equity investment for long term investment purpose, which is a 10% investment in Epic Capital Development Fund I, L.P. ("**Epic Fund**"), a private limited partnership entity established in the Cayman Islands, which is engaged in a property redevelopment project. The commercial building (including shops, offices and carparks) owned by the Epic Fund constituted a significant component of the underlying assets of the Epic Fund.

The net decrease in fair value of the Epic Fund recorded in the consolidated statement of profit or loss and other comprehensive income and will not be subsequently reclassified to profit or loss for the year ended 31 December 2024 amounted to approximately HK\$40 million.

The fair value of the equity instrument was assessed by the directors of the Company based on independent valuation prepared by qualified external valuers.

We identified the valuation of equity instrument designated at FVOCI as a key audit matter because of the significance of Epic Fund to the Group's consolidated financial statements and because of the determination of the fair values involves significant judgement and estimation which could be subject to management bias.

How the matter was addressed in our audit

Our audit procedures to assess the valuation of equity instrument designated at FVOCI included the following:

- obtaining and inspecting the valuation reports prepared by the external valuers engaged by the Group and on which the directors' assessment of the fair value of equity instrument was based;
- assessing the external valuers' qualifications, experience and capabilities and considering their objectivity and independence;
- with the assistance of our internal valuation specialists, discussing with the external valuers, without the presence of management, their valuation methodology and challenging the key estimates and assumptions adopted in the valuations and by utilising the industry knowledge and experience of our internal valuation specialists;
- performing market research and analysis to assess whether the changes in fair value of property resulted from the valuation was reasonable and consistent with market trends to our knowledge.

INDEPENDENT AUDITOR'S REPORT

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT**Auditor's responsibilities for the audit of the consolidated financial statements – continued**

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the consolidated financial statements – continued

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 18 March 2025

Yau Hok Hung

Practising Certificate Number P04911

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	2024 HK\$'000	2023 HK\$'000
Revenue	4	26,826	27,787
Direct operating expenses		(953)	(1,413)
		25,873	26,374
Other income	5	3,020	1,907
Net change in fair value of investment properties	11	(247,260)	(56,670)
Administrative expenses		(6,059)	(10,270)
Impairment loss on lease receivables		–	(194)
Finance costs	6(a)	(7,717)	(6,330)
Loss before taxation	6	(232,143)	(45,183)
Income tax	7	(2,123)	(1,909)
Loss for the year		(234,266)	(47,092)
Other comprehensive expense for the year			
Item that will not be reclassified subsequently to profit or loss:			
Equity investments at FVOCI-net movement in fair value reserves (non-recycling)	23(f)(i)	(40,051)	(6,180)
Total comprehensive expense for the year		(274,317)	(53,272)
		HK cents	HK cents
Loss per share	10		
– Basic		(60.66)	(12.19)
– Diluted		(60.52)	(12.19)

The notes on pages 60 to 114 form part of these financial statements.

WING LEE PROPERTY INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTE	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Investment properties	11	604,080	851,340
Other property, plant and equipment	12	11,276	11,777
Deferred lease receivables	15	247	373
Other financial assets	14	55,667	89,503
		671,270	952,993
Current assets			
Lease receivables, other receivables and prepayments	15	1,911	1,433
Current tax recoverable	19(a)	571	1,290
Deposits with banks with original maturity date over three months	16	45,409	–
Cash and cash equivalents	16	33,986	42,649
		81,877	45,372
Current liabilities			
Deposits received and other payables	17	8,304	11,445
Bank loans – due within one year	18	80,910	100,581
Current tax payable	19(a)	275	111
		89,489	112,137
Net current liabilities		(7,612)	(66,765)
Total assets less current liabilities		663,658	886,228

WING LEE PROPERTY INVESTMENTS LIMITED

AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Bank loans – due after one year	18	51,308	–
Deferred tax liabilities	19(b)	4,377	3,938
		55,685	3,938
NET ASSETS		607,973	882,290
CAPITAL AND RESERVES	22		
Share capital		3,862	3,862
Reserves		604,111	878,428
TOTAL EQUITY		607,973	882,290

The consolidated financial statements on pages 55 to 114 were approved and authorised for issue by the board of directors on 18 March 2025 and are signed on its behalf by:

Chau Choi Fa
DIRECTOR

Wong Siu Wah
DIRECTOR

The notes on pages 60 to 114 form part of these financial statements.

WING LEE PROPERTY INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Equity attributable to owners of the Company								
	Share capital	Share premium	Share options reserve	Special reserve	Capital reserve	Fair value reserve (non- recycling)	Property revaluation reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2023	3,862	705,280	10,084	(382,929)	7,314	2,325	462	588,054	934,452
Changes in equity for 2023:									
Profit for the year	-	-	-	-	-	-	-	(47,092)	(47,092)
Other comprehensive income for the year	-	-	-	-	-	(6,180)	-	-	(6,180)
Total comprehensive expense for the year	-	-	-	-	-	(6,180)	-	(47,092)	(53,272)
Equity-settled share-based transactions	-	-	1,110	-	-	-	-	-	1,110
Balance at 31 December 2023 and 1 January 2024	3,862	705,280	11,194	(382,929)	7,314	(3,855)	462	540,962	882,290
Changes in equity for 2024:									
Profit for the year	-	-	-	-	-	-	-	(234,266)	(234,266)
Other comprehensive expense for the year	-	-	-	-	-	(40,051)	-	-	(40,051)
Total comprehensive expense for the year	-	-	-	-	-	(40,051)	-	(234,266)	(274,317)
Balance at 31 December 2024	3,862	705,280	11,194	(382,929)	7,314	(43,906)	462	306,696	607,973

The notes on pages 60 to 114 form part of these financial statements.

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	2024 HK\$'000	2023 HK\$'000
Operating activities			
Cash generated from operations	16(b)	17,098	17,037
Hong Kong Profits Tax paid		(1,034)	(3,507)
Hong Kong Profits Tax refund		233	–
Net cash generated from operating activities		16,297	13,530
Investing activities			
Interest received		2,744	1,853
Increase in deposits with banks with original maturity date over three months		(45,409)	–
Acquisition of other financial assets		(6,215)	(7,120)
Net cash used in investing activities		(48,880)	(5,267)
Financing activities			
Proceeds from new bank loans	16(c)	48,500	–
Repayment of bank loans	16(c)	(16,863)	(13,033)
Interest paid	16(c)	(7,717)	(6,330)
Net cash generated from/(used in) financing activities		23,920	(19,363)
Net decrease in cash and cash equivalents		(8,663)	(11,100)
Cash and cash equivalents at 1 January	16(a)	42,649	53,749
Cash and cash equivalents at 31 December	16(a)	33,986	42,649

The notes on pages 60 to 114 form part of these financial statements.

**NOTES TO THE
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL

Wing Lee Property Investments Limited (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**”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

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.

2. MATERIAL ACCOUNTING POLICIES**(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations. 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**”) and the disclosure requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

2. MATERIAL ACCOUNTING POLICIES – continued

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment property, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest (see Note 2(g));
- investments in equity instruments (see Note 2(f)).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Going concern basis

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.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES – continued

(c) **Going concern basis – continued**

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.

(d) **Changes in accounting policies**

The Group has applied the following amendments to HKFRS Accounting Standards 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:

2. MATERIAL ACCOUNTING POLICIES – continued**(d) Changes in accounting policies – continued**

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.

**NOTES TO THE
FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024****2. MATERIAL ACCOUNTING POLICIES – continued****(e) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(iii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Investments in equity instruments

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 23(f). These investments are subsequently accounted for as follows, depending on their classification.

2. MATERIAL ACCOUNTING POLICIES – continued

(f) Investments in equity instruments – continued

An investment in equity securities is classified as fair value through profit or loss (“**FVPL**”), unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at fair value through other comprehensive income (“**FVOCI**”) (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income (“**OCI**”). Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such an election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in Note 2(r)(iv).

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see Note 2(i)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(r)(i).

(h) Other property, plant and equipment

Other properties and plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)). Where other properties are transferred from investment properties when there is a change in use as evidenced by commencement of owner-occupation, their fair value at the date of change in use is deemed to be the cost of the properties.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2. MATERIAL ACCOUNTING POLICIES – continued**(h) Other property, plant and equipment – continued**

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- Leasehold land buildings Over the shorter of the term of the lease, or 50 years
- Leasehold improvements 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(r)(i).

2. MATERIAL ACCOUNTING POLICIES – continued

(j) Credit losses and impairment of assets

(i) *Credit losses from financial instruments and lease receivables*

The Group recognises a loss allowance for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables, and lease receivables). Other financial assets measured at fair value, including equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following discount rates if the effect is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

2. MATERIAL ACCOUNTING POLICIES – continued**(j) Credit losses and impairment of assets – continued***(i) Credit losses from financial instruments and lease receivables – continued*

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2. MATERIAL ACCOUNTING POLICIES – continued

(j) Credit losses and impairment of assets – continued

(i) *Credit losses from financial instruments and lease receivables – continued*

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2. MATERIAL ACCOUNTING POLICIES – continued**(j) Credit losses and impairment of assets – continued***(ii) Impairment of other non-current assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("**CGU**"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(j)(i) and (ii)).

2. MATERIAL ACCOUNTING POLICIES – continued**(k) Receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Receivables are initially measured at fair value plus transaction costs and are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see Note 2(j)(i)).

Insurance reimbursement is recognised and measured in accordance with Note 2(q).

(l) Payables

Payables are initially recognised at fair value. Subsequent to initial recognition, payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL (see Note 2(j)(i)).

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(t)).

2. MATERIAL ACCOUNTING POLICIES – continued**(o) Employee benefits***(i) Short term employee benefits and contributions to defined contribution retirement plans*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expired (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(p) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

2. MATERIAL ACCOUNTING POLICIES – continued

(p) Income tax – continued

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2. MATERIAL ACCOUNTING POLICIES – continued**(q) Provisions and contingent liabilities**

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) *Rental income from operating leases*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(ii) *Interest income*

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2. MATERIAL ACCOUNTING POLICIES – continued

(r) Revenue and other income – continued

(iii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(iv) Dividends

Dividend income is recognised in profit or loss on the date on which when the Group's right to receive payment is established.

(s) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss) are recognised in OCI.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

2. MATERIAL ACCOUNTING POLICIES – continued**(u) Related parties**

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. MATERIAL ACCOUNTING POLICIES – continued**(v) Segment reporting**

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the financial statements. The material accounting policies are set forth in Note 2. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

Notes 11 and 23 contain information about the assumptions and their risk factors relating to the valuation of investment properties and financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Valuation of investment properties

The fair value of each investment property is individually determined at end of each reporting period by independent valuers on a market value assessment. The fair value is based on the direct comparison method with reference to current sale prices in an active market for properties of similar nature, condition or location. In the absence of such information, the valuer determines the amount within a range of reasonable fair value estimates. In making its judgement, the valuer considers information from a variety of sources including current sale prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences.

3. ACCOUNTING JUDGEMENTS AND ESTIMATES – continued**(b) Fair value of equity instrument designated at FVOCI**

The fair value of equity instrument designated at FVOCI that is not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a method (i.e. adjusted net asset method) and make assumptions that are mainly based on market conditions at the end of each reporting period.

The Group assesses the fair value of equity instrument designated at FVOCI based on valuations determined by external qualified valuers. Significant judgement and assumptions used in the assessment of the fair value of equity instrument designated at FVOCI are disclosed in Note 23.

4. 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 HKFRS Accounting Standards, 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.

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE AND SEGMENT REPORTING – continued

(b) Segment reporting – continued

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

WING LEE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. OTHER INCOME

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

6. LOSS BEFORE TAXATION

	2024 HK\$'000	2023 HK\$'000
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Loss before taxation is arrived after charging:

(a) Finance costs

Interest on bank loans	7,717	6,330
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(b) Staff costs

Directors' emoluments (Note 8)		
– Salaries, wages and other benefits	916	3,916
– Contributions to defined contribution retirement plan	16	16
	<u>932</u>	<u>3,932</u>
– Equity-settled share-based payment expenses (Note 21)	–	1,110
	<u>932</u>	<u>5,042</u>
Other staff costs		
– Salaries, wages and other benefits	1,704	1,679
– Contributions to defined contribution retirement plan	50	50
	<u>1,754</u>	<u>1,729</u>
	<u>2,686</u>	<u>6,771</u>

(c) Other items

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

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

7. 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)
	1,684	1,459
Deferred tax:		
Origination and reversal of temporary differences	439	450
	2,123	1,909

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.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

7. INCOME TAX – continued

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	2024 HK\$'000	2023 HK\$'000
Loss before taxation	(232,143)	(45,183)
Notional tax on loss before taxation, calculated at applicable tax rates	(38,721)	(7,170)
Tax effect of non-taxable income	(453)	(308)
Tax effect of non-deductible expenses	41,293	9,430
Tax effect of unused tax losses not recognised	2	3
Tax effect of utilisation of unused tax losses not recognised	–	(4)
Under/(over)-provision in prior years	15	(35)
Statutory tax concession	(14)	(48)
Others	1	41
Taxation for the year	2,123	1,909

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

8. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to the directors of the Company are as follows:

	Directors' fee	Basic salaries and allowances	Performance related incentive bonus	Retirement scheme contributions	Share-based payments	Total directors' emoluments
	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000	HK\$'000 (Note c)	HK\$'000
Year ended 31 December 2024						
<i>Executive directors</i>						
Ms. Chau Choi Fa (Note b)	–	139	–	8	–	147
Ms. Wong Siu Wah (Note b)	–	139	–	–	–	139
Ms. Wong Vivien Man-Li	–	139	–	8	–	147
Ms. Chow Woon Yin	–	139	–	–	–	139
<i>Independent non-executive directors</i>						
Mr. Lam John Cheung-wah	120	–	–	–	–	120
Mr. Chui Chi Yun Robert	120	–	–	–	–	120
Mr. Lam Kwok Cheong	120	–	–	–	–	120
	360	556	–	16	–	932
Year ended 31 December 2023						
<i>Executive directors</i>						
Ms. Chau Choi Fa (Note b)	–	139	1,000	8	36	1,183
Ms. Wong Siu Wah (Note b)	–	139	1,000	–	358	1,497
Ms. Wong Vivien Man-Li	–	139	1,000	8	358	1,505
Ms. Chow Woon Yin	–	139	–	–	358	497
<i>Independent non-executive directors</i>						
Mr. Lam John Cheung-wah	120	–	–	–	–	120
Mr. Chui Chi Yun Robert	120	–	–	–	–	120
Mr. Lam Kwok Cheong	120	–	–	–	–	120
	360	556	3,000	16	1,110	5,042

**NOTES TO THE
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2024

8. DIRECTORS' EMOLUMENTS – continued

Notes:

- a. The performance related incentive bonus payment is determined with reference to the operating results and individual performance during the years ended 31 December 2024 and 2023.
- b. Ms. Chau Choi Fa and Ms. Wong Siu Wah are also the chairperson and chief executive officer (“CEO”) of the Company, respectively, and their emoluments disclose above include those services rendered by them as chairperson and CEO of the Company, respectively.
- c. Details of the share-based payments to directors of the Company are set out in Note 21.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals for the year ended 31 December 2024 included two (2023: three) directors. The emoluments of the remaining three (2023: two) highest paid individual for the year ended 31 December 2024 was as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, allowances and benefits in kind	1,483	1,143
Performance related incentive bonus	221	213
Retirement scheme contributions	50	35
	<hr/> 1,754	<hr/> 1,391

Their emoluments were within the following bands:

	2024 No. of employees	2023 No. of employees
Nil to HK\$1,000,000	2	2
HK\$1,000,001 to HK\$1,500,000	1	–

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the five highest paid individuals and directors, as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any emoluments during both years.

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

10. 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	(234,266)	(47,092)
	2024	2023
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	386,175,758	386,175,758

(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	(234,266)	(47,092)
	2024	2023
Number of shares:		
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	899,204	—*
Weighted average number of ordinary shares (diluted) as at 31 December	387,074,962	386,175,758

* 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.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

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

Tenure of title to investment properties

	2024 HK\$'000	2023 HK\$'000
Held in Hong Kong		
– Long leases	360,080	521,840
– Medium-term leases	244,000	329,500
	604,080	851,340

11. INVESTMENT PROPERTIES – continued

(b) Fair value measurement of investment properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

At 31 December 2024 and 2023, the fair value measurements of the Group's investment properties fall into Level 3 of the fair value hierarchy described above.

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31 December 2024. The valuations were carried out by an independent firm of professional property valuer, Graval Consulting Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The Group's directors and financial controller have discussion with the valuer on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

All of the Group's investment properties were assumed to be recovered through sales and deferred tax liabilities in respect of fair value changes on investment properties have been estimated taking into account this assumption. The Group has not recognised deferred tax liabilities in relation to changes in fair value of the investment properties that are situated in Hong Kong during the years ended 31 December 2024 and 2023 as the Group is not subject to any income taxes on disposal of these investment properties.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. INVESTMENT PROPERTIES – continued

(b) Fair value measurement of investment properties – continued

(ii) Information about Level 3 fair value measurements

	Fair value at		Fair value	Valuation technique(s) and	Relationship of
	31	31	hierarchy	significant unobservable	unobservable
	December	December		inputs	inputs to fair
	2024	2023			value
	HK\$'000	HK\$'000			
Industrial properties in Kowloon	73,400	84,600	Level 3	Direct comparison method – based on price per square foot, using market observable comparable prices of similar properties ranging from HK\$5,546 to HK\$6,043 (2023: HK\$5,689 to HK\$6,589) per sq.ft, and adjusted taking into account locations and other individual factors such as floor level, building age, size and conditions of the properties.	The higher the price, the higher the fair value.
Residential properties in Kowloon	69,500	84,100	Level 3	Direct comparison method – based on price per square foot, using market observable comparable prices of similar properties ranging from HK\$5,842 to HK\$7,895 (2023: HK\$6,767 to HK\$8,000) per sq.ft, and adjusted taking into account locations and other individual factors such as floor level, building age, view, size and conditions of the properties.	The higher the price, the higher the fair value.

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

11. INVESTMENT PROPERTIES – continued

(b) Fair value measurement of investment properties – continued

(ii) Information about Level 3 fair value measurements – continued

	Fair value at		Fair value	Valuation technique(s) and	Relationship of
	31	31	hierarchy	significant unobservable	unobservable
	December	December		inputs	inputs to fair
	2024	2023			value
	HK\$'000	HK\$'000			
Commercial properties in Hong Kong Island	356,060	516,910	Level 3	Direct comparison method – based on price per square foot, using market observable comparable prices of similar properties ranging from HK\$5,972 to HK\$116,811 (2023: HK\$9,616 to HK\$107,059) per sq.ft, and adjusted taking into account locations and other individual factors such as floor level, building age, size and conditions of the properties.	The higher the price, the higher the fair value.
Commercial properties in Kowloon	101,100	160,800	Level 3	Direct comparison method – based on price per square foot, using market observable comparable prices of similar properties ranging from HK\$11,656 to HK\$66,713 (2023: HK\$10,290 to HK\$71,151) per sq.ft, and adjusted taking into account locations and other individual factors such as shop frontage, size, layout and conditions of the properties.	The higher the price, the higher the fair value.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. INVESTMENT PROPERTIES – continued

(b) Fair value measurement of investment properties – continued

(ii) Information about Level 3 fair value measurements – continued

	Fair value at		Fair value	Valuation technique(s) and	Relationship of
	31	31	hierarchy	significant unobservable	unobservable
	December	December		inputs	inputs to fair
	2024	2023			value
	HK\$'000	HK\$'000			
Residential property in Hong Kong Island	4,020	4,930	Level 3	Direct comparison method – based on price per square foot, using market observable comparable prices of similar properties ranging from HK\$11,279 to HK\$12,277 (2023: HK\$12,226 to HK\$14,921) per sq.ft, and adjusted taking into account locations and other individual factors such as floor level, building age, size and conditions of the properties.	The higher the price, the higher the fair value.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	2024	2023
	HK\$'000	HK\$'000
Investment properties – Hong Kong		
At 1 January	851,340	908,010
Fair value adjustment	(247,260)	(56,670)
At 31 December	604,080	851,340

Fair value adjustment of investment properties is recognised in the line item “net change in fair value of investment properties” on the face of the consolidated statement of profit or loss and other comprehensive income.

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

11. INVESTMENT PROPERTIES – continued

(c) Investment properties leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 4 years (2023: 1 to 3 years), with an option to renew the lease after that date at which time all terms are renegotiated.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2024 HK\$'000	2023 HK\$'000
Within 1 year	16,619	23,720
After 1 year but within 2 years	4,856	10,329
After 2 years but within 3 years	1,092	2,088
After 3 years but within 4 years	177	–
	<u>22,744</u>	<u>36,137</u>

12. OTHER PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK\$'000	Leasehold improvements HK\$'000	Total HK\$'000
Cost:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	17,039	334	17,373
Accumulated depreciation:			
At 1 January 2023	4,761	334	5,095
Charged for the year	501	–	501
At 31 December 2023	5,262	334	5,596
Charged for the year	501	–	501
At 31 December 2024	5,763	334	6,097
Net book value:			
At 31 December 2024	11,276	–	11,276
At 31 December 2023	11,777	–	11,777

The above leasehold land and buildings comprise a property situated in Hong Kong which is under medium-term lease.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2024
13. INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place and date of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Tierra Development Limited	British Virgin Islands 8 May 2012	US\$2,000	100%	100%	–	Investment holding
City Harvest Holdings Limited	British Virgin Islands 21 June 2018	US\$1,000	100%	100%	–	Investment holding
Extra Rich Development Limited 碧豪發展有限公司	Hong Kong 17 January 1989	HK\$10,000	100%	–	100%	Property investment
Fast Silver Development Limited 銀迅發展有限公司	Hong Kong 22 July 2010	HK\$10,000	100%	–	100%	Property investment
Fortune Source Limited 貫源有限公司	Hong Kong 28 June 2013	HK\$10,000	100%	–	100%	Property investment
Good Ocean Development Limited 海佳發展有限公司	Hong Kong 25 November 2010	HK\$10,000	100%	–	100%	Property investment
Habitat One Development Limited 景逸發展有限公司	Hong Kong 27 June 2012	HK\$10,000	100%	–	100%	Property investment
Good Harvest Capital Investment Limited 益豐創富有限公司	Hong Kong 9 September 2013	HK\$10,000	100%	–	100%	Investment holding
Joy Smart Properties Limited 欣俊置業有限公司	Hong Kong 22 September 2014	HK\$1	100%	–	100%	Property investment
Joy Bright International Development Limited 喜輝國際發展有限公司	Hong Kong 8 March 2018	HK\$1	100%	–	100%	Property investment
Habitat Two Development Limited 景義發展有限公司	Hong Kong 10 August 2019	HK\$10,000	100%	–	100%	Property investment
Habitat Three Development Limited 景心發展有限公司	Hong Kong 10 July 2020	HK\$10,000	100%	–	100%	Property investment
Habitat Four Development Limited 景世發展有限公司	Hong Kong 8 December 2021	HK\$10,000	100%	–	100%	Property investment
Habitat Five Development Limited 景悟發展有限公司	Hong Kong 20 December 2023	HK\$10,000	100%	–	100%	Property investment

Principal place of business of the above subsidiaries is located in Hong Kong. None of the subsidiaries had issued any debt securities at the end of the year.

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

14. OTHER FINANCIAL ASSETS

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

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 held for sale during the year ended 31 December 2024.

15. LEASE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	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	797	518
	1,836	1,483
Less: non-current portion of deferred lease receivables	(247)	(373)
Lease and other receivables	1,589	1,110
Add: Prepayments	322	323
	1,911	1,433

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.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

15. LEASE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS – continued

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:

	2024 HK\$'000	2023 HK\$'000
Age		
0 – 90 days	337	311

16. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated statements of financial position and cash flows comprise:

	2024 HK\$'000	2023 HK\$'000
Bank deposits, cash at banks and on hand	79,395	42,649
Less: Deposits with banks with original maturity date over three months	(45,409)	–

Cash and cash equivalents in the consolidated statements of financial position and cash flows	33,986	42,649
--	--------	--------

The carrying amounts of bank deposits, cash at banks and on hand were denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
Cash at banks and on hand:		
Hong Kong dollars	33,986	42,649
Deposits:		
Hong Kong dollars	38,453	–
United States dollars	6,956	–
	45,409	–

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

16. CASH AND CASH EQUIVALENTS – continued

(b) Reconciliation of loss before taxation to cash generated from operations:

	NOTE	2024 HK\$'000	2023 HK\$'000
Loss before taxation		(232,143)	(45,183)
Adjustments for:			
Interest income	5	(2,744)	(1,853)
Finance costs	6(a)	7,717	6,330
Depreciation of other property, plant and equipment	6(c)	501	501
Equity-settled share-based payment expenses	6(b)	–	1,110
Net changes in fair value of investment properties	11(a)	247,260	56,670
		20,591	17,575
Changes in working capital:			
(Increase)/decrease in lease receivables, other receivables and prepayments		(352)	26
Decrease in deposits received and other payables		(3,141)	(564)
Cash generated from operations		17,098	17,037

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

16. CASH AND CASH EQUIVALENTS – continued

(c) **Reconciliation of liabilities arising from financing activities:**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flow from financing activities.

	Bank Loans (Note 18)	
	2024	2023
	HK\$'000	HK\$'000
At 1 January	100,581	113,614
Changes from financing cash flows:		
Proceeds from new bank loans	48,500	–
Repayment of bank loans	(16,863)	(13,033)
Bank loan interest paid	(7,717)	(6,330)
Total changes from financing cash flows	23,920	(19,363)
Other change:		
Interest expenses (Note 6(a))	7,717	6,330
At 31 December	132,218	100,581

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

17. DEPOSITS RECEIVED AND OTHER PAYABLES

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

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.

18. BANK LOANS

	2024 HK\$'000	2023 HK\$'000
At 31 December 2024, the bank loans were repayable as follows*:		
Within one year	34,830	58,787
Within a period of more than one year but not exceeding two years	44,582	–
Within a period of more than two years but not exceeding five years	6,726	–
	86,138	58,787
Carrying amounts of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	46,080	41,794
	132,218	100,581
Less: Amounts due within one year shown under current liabilities	(80,910)	(100,581)
Amounts shown under non-current liabilities	51,308	–

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18. BANK LOANS – continued

- (i) At 31 December 2024, the bank loans were secured as follows:

	2024 HK\$'000	2023 HK\$'000
Bank loans – secured	132,218	100,581

- (ii) At 31 December 2024, the bank loans were secured by the following assets of the Group:

	2024 HK\$'000	2023 HK\$'000
Investment properties (Note 11)	262,010	225,100
Other property, plant and equipment (Note 12)	11,276	11,777
	273,286	236,877

In addition to the above, certain bank loans were secured by the assignment of rental proceeds of the Group's properties situated in Hong Kong and corporate guarantee provided by the Company.

At the end of the reporting period, the directors of the Company do not consider it is probable that a claim will be made against the Company under the corporate guarantee given by the Company, no liability is provided for in the financial statements of the Company. The Company has not recognised any deferred income in respect of this financial guarantee given by the Company as its fair value is insignificant.

- (iii) Bank loans bear interest ranging from 5.63% to 6.34% per annum as at 31 December 2024 (2023: 6.97% to 7.37%).
- (iv) All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 23(b). As at 31 December 2024, none of the covenants relating to drawn down facilities had been breached (2023: Nil).

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

19. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2024 HK\$'000	2023 HK\$'000
At beginning of the year	(1,179)	869
Provision for Hong Kong Profits Tax (Note 7(a))	1,684	1,459
Hong Kong Profits Tax paid	(1,034)	(3,507)
Hong Kong Profits Tax refund	233	–
At end of the year	(296)	(1,179)
Representing:		
Hong Kong Profits Tax		
– Current tax recoverable	(571)	(1,290)
– Current tax payable	275	111
	(296)	(1,179)

(b) Deferred tax (assets)/liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Accelerated tax depreciation HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 January 2023	3,492	(4)	3,488
Charged to profit or loss (Note 7(a))	446	4	450
At 31 December 2023	3,938	–	3,938
Charged to profit or loss (Note 7(a))	439	–	439
At 31 December 2024	4,377	–	4,377

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

19. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION – continued

(b) Deferred tax (assets)/liabilities recognised: – continued

(ii) Reconciliation to the consolidated statement of financial position

	2024	2023
	HK\$'000	HK\$'000
Net deferred tax liability recognised in the consolidated statement of financial position	4,377	3,938

(c) Deferred tax assets not recognised

At 31 December 2024 and 2023, the Group has no material deferred tax assets not recognised.

20. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plan

The Group operates a Mandatory Provident Fund Scheme (the “**MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company's share option scheme (the “**2015 Share Option Scheme**”) was adopted for a period of 10 years commencing 31 March 2015 pursuant to an ordinary resolution passed at the annual general meeting of the shareholders held on 31 March 2015 for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group.

Under the 2015 Share Option Scheme, the Company may grant options to selected employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors, consultants, business partners and service providers of the Company and its subsidiaries at the discretion of the Board.

The total number of shares in respect of which options may be granted under the 2015 Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders.

The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS – continued

Any grant of the Company's share option to any director, chief executive or substantial shareholder (as such term as defined in the Listing Rules) of the Company, or any of their respective associates under the 2015 Share Option Scheme is subject to the prior approval of the independent non-executive directors (excluding independent non-executive directors who are the proposed grantees of the options in question). Where any grant of options to a substantial shareholder or an independent non-executive director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled or outstanding) to such person in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be also approved by the Company's shareholders.

The offer of a grant of share options may be accepted within 5 business days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the Board, which period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the 2015 Share Option Scheme. The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the shares on the date of the offer of the share options which must be a business day; (ii) the average Stock Exchange closing price of the shares for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the shares.

(a) *The terms and conditions of the share options outstanding as at end of the reporting period are as follows:*

	Number of instruments	Exercise price	Contractual life of options
Options granted to directors			
– on 16 December 2016	8,109,689	HK\$1.254	10 years
– on 8 December 2020	11,971,446	HK\$0.385	10 years
– on 30 March 2022	11,971,446	HK\$0.410	10 years
– on 27 October 2023	11,971,446	HK\$0.184	10 years
Total share options outstanding	44,024,027		

The above share options granted are not subject to any vesting periods and may be exercised from the date of grant during the validity period.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS – continued

(b) The number and weighted average exercise prices of share options are as follows:

	2024		2023	
	Weighted average exercise price	Number of options '000	Weighted average exercise price	Number of options '000
Outstanding at the beginning of the period	HK\$0.497	44,024,027	HK\$0.614	32,052,581
Granted during the period	–	–	HK\$0.184	11,971,446
Outstanding at the end of the period	HK\$0.497	44,024,027	HK\$0.497	44,024,027
Exercisable at the end of the period	HK\$0.497	44,024,027	HK\$0.497	44,024,027

The options outstanding at 31 December 2024 had an exercise price of HK\$0.184, HK\$0.410, HK\$0.385 or HK\$1.254 (2023: HK\$0.184, HK\$0.410, HK\$0.385 or HK\$1.254) and a weighted average remaining contractual life of approximately 6.33 years (2023: 7.33 years).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial option pricing model (“**Binomial Model**”). The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions

	October 2023 Batch	March 2022 Batch	December 2020 Batch	December 2016 Batch
Fair value of the options at measurement date	HK\$1,110,000	HK\$2,573,000	HK\$2,250,000	HK\$7,766,000
Share price	HK\$0.184	HK\$0.410	HK\$0.385	HK\$1.254
Exercise price	HK\$0.184	HK\$0.410	HK\$0.385	HK\$1.254
Exercise multiple	2.8	2.8	2.8	2.8
Expected volatility	47.3%	47.93%	44.62%	48.9%
Option life	10 years	10 years	10 years	10 years
Expected dividends	N/A	N/A	N/A	N/A
Risk-free interest rate	4.095%	2.160%	0.592%	1.813%

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS – continued

(c) Fair value of share options and assumptions – continued

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Changes in the subjective input assumptions could materially affect the fair value estimate.

No other feature of the options granted was incorporated into the measurement of fair value.

22. CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity:

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of reserves between the beginning and the end of the year are set out below:

The Company	Share premium HK\$'000	Share options reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2023	705,280	10,084	(2,670)	712,694
Changes in equity for 2023:				
Loss and total comprehensive expense for the year	–	–	(2,699)	(2,699)
Equity-settled share-based transactions	–	1,110	–	1,110
Balance at 31 December 2023 and 1 January 2024	705,280	11,194	(5,369)	711,105
Changes in equity for 2024:				
Loss and total comprehensive expense for the year	–	–	(144,541)	(144,541)
At 31 December 2024	705,280	11,194	(149,910)	566,564

(b) 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.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

22. CAPITAL, RESERVES AND DIVIDENDS – continued

(c) Share capital

	Number of shares	Amount in HK\$	Shown in the consolidated financial statements HK\$'000
Ordinary shares of HK\$0.01 each			
Authorised:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,000,000,000	10,000,000	
Issued and fully paid:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	386,175,758	3,861,757	3,862

(d) Nature and purpose of reserves

(i) Share options reserve

Share options reserve comprises the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for the share-based payment in Note 2(o)(ii).

(ii) Special reserve

The special reserve represents the difference between the aggregate share capital of the subsidiaries acquired by the Company and the Company's investment cost in Tierra Development Limited pursuant to a group reorganisation in 2012.

(iii) Capital reserve

The capital reserve represents deemed contribution from a then fellow subsidiary in prior years.

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see Note 2(f)).

22. CAPITAL, RESERVES AND DIVIDENDS – continued

(e) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank loans as disclosed in Note 18 and equity attributable to owners of the Company, comprising issued share capital, share premium, share options reserve, special reserve, capital reserve, fair value reserve (non-recycling), property revaluation reserve and retained profits.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to lease and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with sound credit rating, which the Group considers to represent low credit risk.

There is no significant concentration of credit risk within the Group.

Except for the financial guarantees given by the Company as set out in Note 18(ii), the Group does not provide any other guarantees which expose the Group to credit risk.

Lease receivables and deferred lease receivables

In order to minimise the credit risk, the management of the Group internally assesses the credit quality of the potential tenants before accepting any new tenants, no credit period is granted to tenants. The Group maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from tenants. In addition to the payment of rental deposits, tenants are required to pay monthly rents in respect of leased properties in advance. Receivables are regularly reviewed and closely monitored to minimise any associated credit risk.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS – continued

(a) Credit risk – continued

Lease receivables and deferred lease receivables – continued

The Group measures loss allowance for lease receivables in accordance with accounting policy in Note 2(j)(i). Allowance for expected credit losses is assessed and adequately made on a case-by-case basis, based on the historical default experience and forward-looking information that may impact the tenants' ability to repay the outstanding balances.

Movement in the loss allowance account in respect of lease receivables during the year is as follows:

	2024 HK\$'000	2023 HK\$'000
At 1 January	194	–
Impairment loss recognised during the year	–	194
At 31 December	194	194

During the year ended 31 December 2023, the following change in the gross carrying amounts of lease receivables contributed to the increase in the loss allowance:

- increase in days past due over 90 days resulted in an increase in loss allowance of HK\$194,000.

Other receivables

No allowance for impairment was made for other receivables since the directors of the Company consider the probability of default is minimal after assessing the counter-parties' financial background and creditability.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS – continued

(b) Liquidity risk – continued

For bank loans subject to a repayment on demand clause which can be exercised at the bank's sole discretion, the maturity analysis shows the cash outflow based on the expected repayment dates with reference to the schedule of repayments set out in specific repayment term and, separately, the impact to the timing of cash outflow if the lender was to invoke its unconditional rights to call the loan with immediate effect.

	Contractual undiscounted cash outflow					Total carrying amount HK\$'000	
	On demand or less than 1 month HK\$'000	1 – 3 months HK\$'000	3 months to 1 year HK\$'000	1 – 5 years HK\$'000	Total HK\$'000		
At 31 December 2024							
Deposits received and other payables	8,304	–	–	–	8,304	8,304	
Bank loans	1,061	2,113	38,852	128,027	170,053	132,218	
	9,365	2,113	38,852	128,027	178,357	140,522	
Adjustments to present cash flows on bank loans based on the lender's right to demand repayment	47,375	(674)	(3,033)	(73,808)	(30,140)	–	
	56,740	1,439	35,819	54,219	148,217	140,522	
At 31 December 2023							
Deposits received and other payables	11,445	–	–	–	11,445	11,445	
Bank loans	898	27,090	35,255	44,904	108,147	100,581	
	12,343	27,090	35,255	44,904	119,592	112,026	
Adjustments to present cash flows on bank loans based on the lender's right to demand repayment	41,986	(580)	(2,676)	(44,904)	(6,174)	–	
	54,329	26,510	32,579	–	113,418	112,026	

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS – continued**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank borrowings. Bank borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate arising from the Group's HK\$ denominated bank loans.

The Group does not anticipate significant impact to cash at bank and bank deposits because the interest rates of cash at bank and bank deposits are not expected to change significantly.

The Group will constantly assess the interest rate risk it encounters to decide whether it is required to hedge against the possible interest rate risk that may arise.

At 31 December 2024, the Group had approximately HK\$132,218,000 (2023: HK\$100,581,000) variable interest rate borrowings which expose the Group to cash flow interest rate risk. The interest rates and terms of repayment of the Group's bank borrowings are disclosed in Note 18 to the consolidated financial statements.

At 31 December 2024, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and decreased/increased total equity by approximately HK\$552,000 (2023: HK\$419,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after taxation and total equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and the impact on the Group's profit after taxation and total equity is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis as 2023.

(d) Currency risk

The functional currency of the Company and its subsidiaries is HK\$ in which most of their transactions are denominated.

The Group currently does not have a policy on foreign currency risk as it had minimal transactions denominated in foreign currencies during the years ended 31 December 2024 and 2023. As the impact of foreign currency risk on the Group's operation is minimal, no sensitivity analysis is performed.

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS – continued**(e) Equity price risk**

The Group is exposed to equity price risk on investment in equity instrument designated at FVOCI as the Group invested in an unquoted equity instrument during the years ended 31 December 2024 and 2023 for an investee operating in property development industry sector for long term strategic purposes which had been designated as FVOCI. Its performance is at least annually based on the information available to the Group, together with an assessment of its relevance to the Group's long term strategic plan. The Group's fair value reserve (non-recycling) would increase/decrease by approximately HK\$5,567,000 (2023: HK\$8,950,000) if the price of the equity instrument had been 10% higher/lower.

(f) Fair value measurement*(i) Financial instruments measured at fair value*

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team headed by the financial controller performing valuations for the financial instruments, including unlisted equity instruments which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the directors of the Company and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the directors of the Company. Discussion of the valuation process and results with the directors of the Company and the audit committee is held twice a year, to coincide with the reporting dates.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS – continued

(f) Fair value measurement – continued

(i) Financial instruments measured at fair value – continued

Fair value hierarchy – continued

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

At 31 December 2024 and 2023, the only financial instrument of the Group carried at fair value was equity instrument designated at FVOCI of approximately HK\$55,667,000 (2023: HK\$89,503,000). This instrument is measured at fair value on a recurring basis and their fair value measurements fall into Level 3 of the fair value hierarchy described above.

Information about Level 3 fair value measurements

				Relationship of unobservable inputs to fair value
	Valuation techniques	Significant unobservable inputs	Range/weighted average of input	
<u>2024</u>				
Unlisted equity instrument	Adjusted net asset approach	Shops: adjusted weighted unit sale rate	HK\$12,000 to HK\$33,700 per sq.ft	note 1
		Office: adjusted weighted unit sale rate	HK\$11,700 per sq.ft	note 1
		Car park: adjusted market price	HK\$1,500,000 to HK\$2,900,000 per car park	note 1
<u>2023</u>				
Unlisted equity instrument	Adjusted net asset approach	Shops: adjusted weighted unit sale rate	HK\$15,330 to HK\$27,410 per sq.ft	note 1
		Office: adjusted weighted unit sale rate	HK\$15,610 per sq.ft	note 1
		Car park: adjusted market price	HK\$2,100,000 to HK\$3,000,000 per car park	note 1

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS – continued

(f) Fair value measurement – continued

(i) *Financial instruments measured at fair value – continued*

Fair value hierarchy – continued

During the year ended 31 December 2023, the related property under development was completed as a commercial building. At 31 December 2024 and 2023, the fair value of unlisted equity instrument is determined by adjusted net asset method with reference to fair value of the related property assessed by qualified external valuers. The fair value of the related property is using direct comparison method based on price per square foot, using market observable comparable prices of similar properties and adjusted taking into account locations and other individual factors such as floor level, building age, size and conditions of the properties.

Note:

1. The higher the price, the higher the fair value.

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

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

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.

(ii) *Fair value of financial instruments carried at other than fair value*

The directors of the Company consider that the carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2024 and 2023.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

24. MATERIAL RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year.

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	2024 HK\$'000	2023 HK\$'000
Short-term employee benefits	1,908	4,878
Post-employment benefits	34	34
Equity compensation benefits	–	1,110
	<hr/> 1,942	<hr/> 6,022

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Transaction with a related party

In April 2021, the Group entered into a lease agreement ("**Lease II**") with Morning Star Industrial Company Limited ("**MSI**"), a company wholly owned by Mr. Chow Tak Hung (spouse of Ms. Chau Choi Fa, the chairperson and executive director of the Company), Ms. Wong Siu Wah (the chief executive officer and executive director of the Company), and Ms. Chow Woon Yin (an executive director of the Company), whereby the Group rented a property to MSI for a term of two years commencing from 1 May 2021. The Lease II was renewed in April 2023, for one year term commencing on 1 May 2023, and then was renewed in April 2024 for another one year term commencing on 1 May 2024. The amount of rent receivable by the Group under the lease is HK\$23,000 per month, which were determined with reference to amounts charged by the Group to third parties. In September 2024, the Group and MSI mutually agreed to early terminate the Lease II.

In September 2022, the Group entered into a lease agreement ("**Lease I**") with MSI, whereby the Group rented a property to MSI for a term of one year commencing from 1 November 2022. The lease I was renewed in October 2023 for one year term commencing on 1 November 2023, and then was renewed in October 2024 for another one year term commencing on 1 November 2024. The amount of rent receivable by the Group under the lease is HK\$108,000 per month, which were determined with reference to amounts charged by the Group to third parties.

During the year ended 31 December 2024, the Group received rental income of HK\$1,480,000 (2023: HK\$1,572,000) from MSI.

WING LEE PROPERTY INVESTMENTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

25. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

		31 December 2024 HK\$'000	31 December 2023 HK\$'000
	NOTE		
Non-current asset			
Investments in subsidiaries	13	644,805	703,806
Current assets			
Prepayments		323	323
Amounts due from subsidiaries		5,368	90,002
Bank balances		252	184
		5,943	90,509
Current liabilities			
Other payables		55	55
Amounts due to subsidiaries		80,267	79,293
		80,322	79,348
Net current (liabilities)/assets		(74,379)	11,161
NET ASSETS		570,426	714,967
CAPITAL AND RESERVES			
Share capital	22(c)	3,862	3,862
Reserves	22(a)	566,564	711,105
TOTAL EQUITY		570,426	714,967

Approved and authorised for issue by the board of directors on 18 March 2025.

Chau Choi Fa
Director

Wong Siu Wah
Director

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

26. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2024, the directors consider the immediate parent and ultimate controlling party of the Group to be Bright Asia Holdings Limited and Mr. Chow Tak Hung, respectively. Bright Asia Holdings Limited is incorporated in the British Virgin Islands and does not produce financial statements available for public use. Mr. Chow Tak Hung is the spouse of Ms. Chau Choi Fa, who is the chairperson and executive director of the Company.

27. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
<i>Amendments to HKAS 21 – Lack of Exchangeability</i>	1 January 2025
<i>Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to HKFRS Accounting Standards 2024 – Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i>	1 January 2026
<i>HKFRS 18 and consequential amendments to other HKFRSs – Presentation and Disclosure in Financial Statements</i>	1 January 2027
<i>HKFRS 19 – Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

WING LEE PROPERTY INVESTMENTS LIMITED

FINANCIAL SUMMARY

	Year ended 31 December				
	2020	2021	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
RESULTS					
Revenue	30,331	28,934	29,331	27,787	26,826
Profit (loss) before taxation	(93,949)	18,991	20,016	(45,183)	(232,143)
Taxation	(2,651)	(1,585)	(2,489)	(1,909)	(2,123)
Profit (loss) for the year	(96,600)	17,406	17,527	(47,092)	(234,266)
	At 31 December				
	2020	2021	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS AND LIABILITIES					
Total Assets	1,012,760	1,057,989	1,064,856	998,365	753,147
Total Liabilities	137,310	121,475	130,404	116,075	145,174
Net Assets	875,450	936,514	934,452	882,290	607,973

WING LEE PROPERTY INVESTMENTS LIMITED

SUMMARY OF INVESTMENT PROPERTIES HELD BY THE GROUP

AT 31 DECEMBER 2024

Particulars of the Group's investment properties at 31 December 2024 are as follows:

Location	Usage	Group's Interest	Lease Term
Shop No. C2D on G/F, China Insurance Group Building, No. 141 Des Voeux Road Central, No. 73 Connaught Road Central and Nos. 61-65 Gilman Street, Central, Hong Kong	Commercial	100%	Long
Shop No. 7 on G/F, Rialto Building, No. 2 Landale Street, Wanchai, Hong Kong	Commercial	100%	Long
G/F & Cockloft, No. 61 Wellington Street, Central, Hong Kong	Commercial	100%	Long
1/F & 2/F, No. 59 Wellington Street, Central, Hong Kong	Commercial	100%	Long
G/F and Flat C on 1/F of Wah Fung Building, No. 296-298 Lockhart Road, Hong Kong	Commercial & Residential	100%	Long
Flat B on G/F (Shop B on Ground Floor), Hung Fook Mansion, No. 360 Lockhart Road, Hong Kong	Commercial	100%	Long
Shop A, B and C on G/F and 1/F, Kam Tak Mansion, Nos. 88-90 Queen's Road East, Hong Kong	Commercial	100%	Long
Shop E on G/F and Mezzanine Floor, Cheong Hong Mansions, Nos. 25-33 Johnston Road, Nos. 1-3 Thomson Road, No. 2 Fenwick Street, Hong Kong	Commercial	100%	Long
G/F & M/F, Mandarin Commercial House, No. 38 Morrison Hill Road, Hong Kong	Commercial	100%	Long
G/F and 1/F, Wayson Commercial House, Nos. 68-70 Lockhart Road, Hong Kong	Commercial	100%	Long
No. 656 Shanghai Street, Kowloon	Residential & Commercial	100%	Medium
4/F and 6/F, No. 658 Shanghai Street, Kowloon	Residential	100%	Medium
G/F-3/F, No. 3 Ma Tau Kok Road, Kowloon	Residential & Commercial	100%	Medium
2/F, No. 5 Ma Tau Kok Road, Kowloon	Residential	100%	Medium
No. 347 Portland Street, Kowloon	Residential & Commercial	100%	Long
Unit No. 201, 207 and 208 on 2/F, Sunbeam Centre, No. 27 Shing Yip Street, Kowloon	Industrial	100%	Medium
P13 and P14 on 3/F, King Palace Plaza, 55 King Yip Street, Kowloon	Carpark	100%	Medium
G/F, No. 20 Lok Kwan Street, Kowloon	Commercial	100%	Medium
G/F, No. 27 Man On Street, Kowloon	Commercial	100%	Medium
Flat C on 4/F Kam Tak Mansion, Nos. 88-90 Queen's Road East, Hong Kong	Residential	100%	Long