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WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

**POSITIVE PROFIT ALERT
FOR THE YEAR ENDED 31 DECEMBER 2023**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The Board would like to inform the Shareholders and potential investors that, based on the preliminary review of the unaudited consolidated management accounts for the year ended 31 December 2023 currently available to the management, the Group expects to record a profit attributable to Shareholders of approximately HK\$121.8 million for the year ended 31 December 2023 as compared to a loss of HK\$300.9 million for the year ended 31 December 2022.

The Group also expects to record an underlying profit attributable to Shareholders, which excludes the valuation loss on the Group's investment properties and related deferred tax thereon, of approximately HK\$476.5 million for the year ended 31 December 2023 as compared to an underlying profit of HK\$78.4 million for the year ended 31 December 2022.

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

This announcement is made by Wing On Company International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts for the year ended 31 December 2023 currently available to the management, the Group expects to record a profit attributable to Shareholders of approximately HK\$121.8 million for the year ended 31 December 2023 as compared to a loss of HK\$300.9 million for the year ended 31 December 2022. Such increase is mainly attributable to a gain of approximately HK\$149.0 million from the Group's investment portfolio for the year ended 31 December 2023 as compared to a loss of HK\$206.4 million for the year ended 31 December 2022, and the increase in interest income from bank deposits of approximately HK\$61.8 million for the year ended 31 December 2023.

The Group expects to record a valuation loss on its investment properties of approximately HK\$378.1 million for the year ended 31 December 2023 as compared to a valuation loss of HK\$365.9 million for the year ended 31 December 2022. The Group also expects to record an underlying profit attributable to Shareholders, which excludes the valuation loss on the Group's investment properties and related deferred tax thereon, of approximately HK\$476.5 million for the year ended 31 December 2023 as compared to an underlying profit of HK\$78.4 million for the year ended 31 December 2022.

The Board believes that the expected net increase in the Group's underlying profit attributable to Shareholders for the year ended 31 December 2023 as compared to the year ended 31 December 2022 is primarily due to the following factors:

(1) Investments in trading securities and interest income from bank deposits

The Group expects to record a gain from its investment portfolio, mainly due to the unrealised gain on remeasurement to fair value of trading securities and the realised gain on disposal of trading securities, of approximately HK\$149.0 million for the year ended 31 December 2023 as compared to a loss of HK\$206.4 million for the year ended 31 December 2022. At 31 December 2023, the Group's investment portfolio amounted to HK\$1,872.4 million (at 31 December 2022: HK\$1,673.3 million).

The Group also expects to record interest income from bank deposits of approximately HK\$94.3 million for the year ended 31 December 2023 as compared to HK\$32.5 million for the year ended 31 December 2022, mainly resulted from the increase in interest rates during the year under review.

(2) Property investments

The Group's property income is expected to be approximately HK\$388.6 million for the year ended 31 December 2023 as compared to HK\$428.0 million for the year ended 31 December 2022. The operations of the Group's properties in Hong Kong remained fairly stable during the year. However, the performance of the Group's properties in Melbourne, Australia was adversely affected by the reduced occupancy rate and weak tenant demand for office space. During the year ended 31 December 2023, the Group wrote-off a total sum of HK\$11.5 million for the irrecoverable rents and landlord's lease incentives relating to an insolvent tenant.

(3) Department stores operation

The Group's department stores operation is expected to record a reduced loss of approximately HK\$2.3 million for the year ended 31 December 2023 as compared to a loss of HK\$21.3 million for the year ended 31 December 2022. With the gradual resumption of social and economic activities in Hong Kong, the Group was able to maintain its normal department stores operating hours throughout the year under review and achieved a growth in sales revenue and an improved operating result. The Group's department stores operation received wage subsidy from the Government's 2022 Employment Support Scheme of HK\$12.2 million for the year ended 31 December 2022, while no such subsidy was received during the year under review.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2023 and expects to release its annual results announcement for the year ended 31 December 2023 in late March 2024. The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group up to 31 December 2023, which is not based on any figures or information which have been confirmed or reviewed by the Company's auditor.

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

By Order of the Board
Karl C. Kwok
Chairman

Hong Kong, 6 February 2024

At the date of this announcement, the executive directors of the Company are Mr. Karl C. Kwok (Chairman), Mr. Lester Kwok (Deputy Chairman and Chief Executive Officer), Dr. Bill Kwok and Mr. Mark Kwok, and the independent non-executive directors of the Company are Miss Maria Tam Wai Chu, Mr. Leung Wing Ning and Mr. Nicholas James Debnam.