



Wang On Properties Announces 2018/19 Annual Results Revenue Surged by 109% to Approximately HK\$2,832,000,000

Financial Highlights

	For the Year Ended 31 March		Change (%)
	2018/19 (HK\$'000)	2017/18 (HK\$'000)	
Revenue	2,832,000	1,352,000	+109%
Gross profit	1,149,000	506,000	+127%
Profit attributable to owners of the parent company	500,000	1,808,000	-72%
Basic earnings per share (HK cent)	3.29	11.90	-72%

(26 June 2019, Hong Kong) – **Wang On Properties Limited** (“Wang On Properties” or the “Company”, together with its subsidiaries or the “Group”; stock code: 1243) is pleased to announce its annual results for the year ended 31 March 2019 (“the year under review”). During the year under review, the Group’s revenue increased significantly by HK\$1,480,000,000 to approximately HK\$2,831,800,000 (2018: approximately HK\$1,351,800,000), mainly attributable to the completion and delivery of one of the Ma On Shan projects, The Met. Blossom (Ma Kam Street, Ma On Shan) in August 2018. Profit attributable to owners of the parent company was approximately HK\$500,300,000 (2018: approximately HK\$1,808,500,000). The decline in profit was mainly attributable to the decrease in other income recognised from the gain on the disposal of two indirect wholly-owned subsidiaries and remeasurement of the 50% equity interest retained in a joint venture, net of the profit recognised from completion of The Met. Blossom. Basic earnings per share were HK\$3.29 cents (2018: HK\$11.90 cents).

The Board recommended payment of a final dividend of HK0.70 cent per ordinary share (2018: HK0.65 cent) and a special dividend of HK0.945 cent per ordinary share (2018: HK1.00 cent per ordinary share). The total dividend for the year ended 31 March 2019 will be HK1.645 cents per ordinary share (2018: HK1.65 cents).

Business Review

Property Development

During the year under review, revenue recognised from this business segment amounted to approximately HK\$2,827,000,000 (2018: approximately HK\$1,333,500,000) which was contributed mainly from completion and delivery of The Met. Blossom. The Group owns 60% equity interest in this development project and the results and financial position have been consolidated into the financial statements of the Group.

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The Group's another residential project in Sha Tin district, the site at Tai Po Road — Tai Wai section (Sha Tin Town Lot No. 587), known as The Met. Acappella commenced pre-sales activities in November 2017. As at the date of this announcement, 314 out of 336 units released were sold and 298 units were delivered to the buyers. The revenue, which amounted to approximately HK\$2,300,000,000, will be recognised (subject to audit) in the next financial year.

The Group, together with CIFI Holdings (Group) Co. Ltd., have been launching a luxury residential series, branded "NOUVELLE" by unveiling the first "maya" project located at No. 8 Shung Shan Street and No. 15 Sze Shan Street in Yau Tong. Since the launch in March 2019, as at the date of this announcement, 162 out of 235 units released were sold with contracted sales amounting to approximately HK\$1,600,000,000. Construction of the superstructure is currently underway, and is expected to be completed in 2020. The Group owns 50% equity interest in this development project.

The Group's Whitehead project (Sha Tin Town Lot No. 601) which is co-developed with Country Garden Holdings Company Limited and China State Construction International Holdings Limited, namely "Altissimo" was launched in December 2018. As at the date of this announcement, 336 out of 436 units released were sold and the contracted sales amounted to approximately HK\$2,900,000,000. The Group owns 40% equity interest in this development project.

The site at Nos. 575–575A Nathan Road, Mongkok has completed the construction works and the occupation permit was granted in February 2018. This development is a 19-floor Ginza type commercial complex under the brand "Ladder".

The Group is always exploring different channels to increase its land banks. In April 2018, an indirectly non-wholly owned subsidiary of the Company, completed the acquisition of all 16 properties at Nos. 86A-86D Pokfulam Road, Hong Kong. The demolition works have been completed and the site will be redeveloped into luxurious properties. The Group owns 70% equity interest in this development project.

In April 2018, the Group won the tender for the land plot located at the junction of Liu To Road and Hang Mei Street, Tsing Yi (Tsing Yi Town Lot No. 192) at a total consideration of HK\$867,300,000. The Group intends to develop the land under the exquisite residential property series "The Met." The project occupies approximately 14,400 square feet with a gross floor area of approximately 90,000 square feet. The Group owns 100% equity interest in this development project.

During the year, the Group has acquired two urban redevelopment projects with over 80% ownerships secured. Their ownership will be consolidated following court proceeding for compulsory sale under the Land (Compulsory Sale for Redevelopment) Ordinance. The total site area and attributable gross floor area upon redevelopment are approximately 16,000 square feet and 143,000 square feet, respectively.

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Property Investment

As at 31 March 2019, the Group's portfolio of investment properties comprised of commercial and industrial units located in Hong Kong with a total carrying value of approximately HK\$809,500,000 (2018: approximately HK\$1,517,300,000). The Group received a gross rental income of approximately HK\$8,200,000, representing a decrease of approximately HK\$14,400,000 from HK\$22,600,000 last year, attributable to the disposal of several properties during the reporting year.

In January 2019, the Group won the tender for a retail podium comprising car parking spaces and the retail podium on the ground floor and level one of a residential accommodation known as "Lake Silver", located at No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories, Hong Kong from Kowloon-Canton Railway Corporation, at a total consideration of HK\$653,000,000. The podium will be further refurbished to optimise the tenant mix and rental income, which in turn and is expected to broaden its prospects and increase rental value, leading to enhanced capital appreciation in the future. In April 2019, the Group has disposed 50% equity interest in this investment project to an independent third party. Completion of the acquisition took place in May 2019.

Prospects

In terms of residential property development, the Group will actively build the exquisite residential property series "The Met.", the new luxury residential brand series "NOUVELLE", and expand luxurious villa project to develop three product lines and fully cater the diverse needs of different home buyers in Hong Kong.

In terms of property investment, the Group will continue to review the portfolio of investment properties for both the recurring income and capital appreciation to enhance asset turnover rate. In April 2019, the Group entered into a provisional agreement with an independent third party to acquire the shops of the "The Parkside" integrated commercial building at 18 Tong Chun Street, Tseung Kwan O, together with 49 car parking spaces and 5 motor cycle parking spaces at a consideration of HK\$780,000,000. Completion is expected to be taken place in July 2019. This investment property will be further refurbished for the enhancement of the Group's investment portfolio. In May 2019, the Group won a tender for an investment property as Shop D, On Ning Building, 47-55 Ma Tau Kok Road, Ma Tau Kok, Kowloon in a consideration of HK\$62,300,000 from an independent third party. The property will be renovated to enhance the rental yield. The completion is expected to be taken place on 28 June 2019.

Looking forward, **Mr Chan Chun Hong, Non-executive Chairman of Wang On Properties**, said, "We will continue to pay close attention to market changes and adjust our investment strategies. We will strenuously replenish its land bank and property investment. In addition to public tenders, we will consider acquiring old buildings and land for conversion. The Group will continue to explore opportunities for acquiring properties and collaborating with strategic partners in order to strengthen its operations. The Group is committed to seizing every opportunity for expediting its development, which enables the company to achieve its ultimate aim of delivering solid returns to the Group's shareholders."

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Mr Wong Yiu Hung Gary, Chief Executive Officer of Wang On Properties, added, “During the year under review, the Centa-City Leading Index declined by nearly 10% after reaching a historical high, though a rebound commenced in the first quarter of 2019. The upside trend is the result of a conservative pricing strategy adopted by developers, as well as a cautious approach taken by the US Federal Reserve on its interest rate policy. However, the US-China trade negotiations have yet to be settled and the global stock markets have become volatile; hence, both investors and end-users may take a more discreet assessment of the property market. In future, we will continue to look for more property acquisition opportunities and further enhance our operational efficiency and performance in order to achieve stronger growth from our real estate business.”

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About Wang On Properties

Wang On Properties, a property developer in Hong Kong, was incorporated on 19 November 2015. Prior to completion of the reorganisation and the spin-off under separate listing, Wang On Properties was a wholly-owned subsidiary of Wang On Group Limited. The property investment segment of Wang On Properties can be traced back to 1997, while its property development business began in 2004. At present, Wang On Properties has established “The Met.” brand in Hong Kong, with a broad range of properties for development and investment. Leveraging the solid foundation of its parent company Wang On Group Limited, the Group is well received by residents and investors with positive reputation. Wang On Properties was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 12 April 2016.

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