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WING TAI PROPERTIES LIMITED

永泰地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 50% INTEREST IN JOINT VENTURE GROUP

On 18 July 2016, WTPC No. 2 and Keen Achieve, as sellers, entered into the SPA with the Purchaser and the Guarantor, pursuant to which the Sellers agreed to sell, assign, transfer and convey to the Purchaser, and the Purchaser agreed to purchase, assume and accept from the Sellers all the Sale Shares and the Shareholders Loans for an aggregate consideration of approximately HK\$915.6 million, subject to adjustment on the basis of the consolidated balance sheet of the Subject Company as of the date of Closing. The Guarantor agreed to guarantee the performance of the obligations of the Purchaser under the SPA. The total consideration receivable by WTPC No. 2 under the SPA is approximately HK\$457.8 million subject to adjustment on the basis of the consolidated balance sheet of the Subject Company as of the date of Closing.

As the applicable percentage ratio of the Disposal exceeds 5% and all of the other relevant percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 the Listing Rules.

INTRODUCTION

As disclosed in the announcement of the Company dated 16 December 2010, WTPC No. 2 (an indirect wholly owned subsidiary of the Company) and Keen Achieve (a subsidiary of Nan Fung International Holdings Limited) established a 50:50 joint venture for the acquisition, fitting-out, holding, managing, operating, selling, leasing and/or otherwise dealing with the Property.

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SALE AND PURCHASE AGREEMENT

Date

18 July 2016

Parties

Sellers: WTPC No. 2
Keen Achieve

Purchaser: Natural Apex

Guarantor: Jingrui

Subject Company: Property Sky

The Guarantor is an investment holding company. The Purchaser is an investment holding company wholly-owned by the Guarantor.

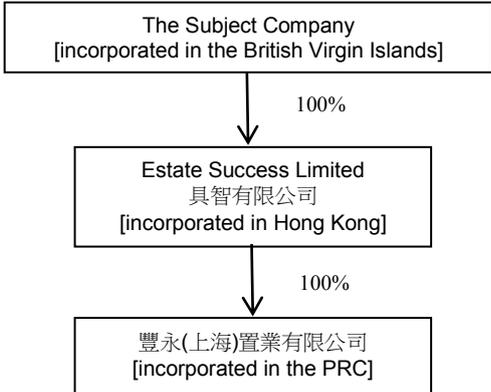
To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Guarantor, the Purchaser, Keen Achieve and their ultimate beneficial owners are third parties independent of the Group and are not connected persons (as defined under the Listing Rules) of the Group.

Assets to be disposed

Pursuant to the SPA, the Sellers agreed to sell, assign, transfer and convey to the Purchaser, and the Purchaser agreed to purchase, assume and accept from the Sellers all the Sale Shares and the Shareholders Loans. The Sale Shares and the Shareholders Loans are owned 50% by each of WTPC No. 2 and Keen Achieve. Upon Closing, the Company will cease to have any equity interest in the Subject Group.

Information of the Subject Group

The Subject Company is an investment holding company and is owned 50% by each of WTPC No. 2 and Keen Achieve. As at the date of this announcement, the group structure of the Subject Group is as follows:



Estate Success Limited is an investment holding company and 豐永(上海)置業有限公司 is the project company which owns the Property.

Set out below is certain unaudited consolidated financial information of the Subject Group for the years ended 31 December 2014 and 2015:

	For the year ended 31 December 2015 HK\$ million	For the year ended 31 December 2014 HK\$ million
Loss before taxation	0.3	43.9
Loss after taxation	10.0	24.1

Consideration and Payment Terms

According to the SPA the aggregate consideration of approximately HK\$915.6 million shall be paid in the following manner:

- (A) an initial sum of US\$8 million (equivalent to approximately HK\$62.1 million) has been paid before the execution of the SPA;
- (B) the Purchaser shall simultaneously with the execution of the SPA wire transfer to each Seller half of the amount equal to the difference between (i) 30% of the aggregate consideration (or approximately HK\$274.6 million) and (ii) the initial sum of US\$8 million (equivalent to approximately HK\$62.1 million);
- (C) the Purchaser shall wire transfer to each Seller half of 70% of the aggregate consideration (or approximately HK\$641 million) no later than 11:00 am on the date of Closing.

The total consideration receivable by WTPC No. 2 under the SPA is approximately HK\$457.8 million, subject to adjustment on the basis of the consolidated balance sheet of the Subject Company as of the date of Closing. The amount of such adjustment shall be paid by the relevant party to the other party or parties within 3 Business Days from the same has been agreed or otherwise deemed final and binding pursuant to the terms of the SPA.

The consideration and arrangements described above were determined after arm's length negotiation between the Sellers and the Purchaser with reference to (i) the agreed value of the Property and (ii) the net asset value of the Subject Group.

Closing

Subject to certain conditions precedent having been satisfied or waived, the Closing shall take place on 15 August 2016 or such other date or time as may be mutually agreed by the parties in writing. The Purchaser may, subject to the payment of a deferred closing fee defer the Closing to a date not later than 15 September 2016.

REASONS FOR THE DISPOSAL

The Group monitors the market environment continuously and reviews its property portfolio from time to time with an aim of maximizing the return to Shareholders on its property investment business. The Directors consider that the Disposal represents a

good opportunity for the Company to realise its investment at a reasonable price.

Upon Closing, the Disposal is expected to realise an estimated gain of approximately HK\$50.1 million for the Group, which is expected to be accounted for in the consolidated financial statements of the Company for the financial year ending 31 December 2016. The estimated gain is derived from the consideration less the total of: (i) the carrying value of the Subject Group of approximately HK\$759.8 million; (ii) estimated expenses; and (iii) taxes relating to the Disposal and subject to audit. The proceeds from the Disposal will be retained as general working capital of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SPA are fair and reasonable and in the interests of the Company and the Shareholders as a whole and has been entered into on normal commercial terms after arm's length negotiations between the parties.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio of the Disposal exceeds 5% and all of the other relevant percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 the Listing Rules.

INFORMATION ABOUT THE COMPANY

The Company is an investment holding company. Its principal subsidiaries are engaged in property development, property investment and management and hospitality investment and management.

INFORMATION ABOUT JINGRUI

Jingrui is an investment holding company listed on the Main Board of the Stock Exchange and its subsidiaries are principally engaged in property development business in the PRC. Jingrui's group is one of the leading property developers in the Yantze River Delta region of the PRC.

INFORMATION ABOUT KEEN ACHIEVE

Keen Achieve is an indirect wholly-owned subsidiary of Nan Fung International Holdings Limited. Nan Fung International Holdings Limited is a company incorporated in the British Virgin Islands. The principal subsidiaries of Nan Fung International Holdings Limited are engaged in property development, property investment, construction, property management, hospitality management and financial investment.

DEFINITIONS

Unless otherwise defined in this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Business Day” any day (other than a Saturday or Sunday) on which commercial banks are open for business in Hong Kong and the PRC

“Closing”	the completion of the Sale Shares and the Shareholders Loans pursuant to the SPA
“Company”	Wing Tai Properties Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Disposal”	the sale of its Sale Share and Shareholder’s Loan by WTPC No. 2 to the Purchaser pursuant to the SPA
“Group”	the Company and its subsidiaries
“Guarantor” or “Jingrui”	Jingrui Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Keen Achieve”	Keen Achieve Limited, a company incorporated in the British Virgin Islands with limited liability and a subsidiary of Nan Fung International Holdings Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Property”	the property currently known as Upper Riverside situate at Tower 3 of 國信世紀海景園, Lane 1288 Pu Ming Road, Pudong, Shanghai, the PRC (excluding commercial properties on the 1st and 2nd Floors) including 97 units and 97 car parking spaces
“Purchaser” or “Natural Apex”	Natural Apex Limited, a company incorporated in the British Virgin Islands which is a wholly-owned subsidiary of the Guarantor
“SPA”	the sale and purchase agreement dated 18 July 2016 entered into between the Sellers, the Purchaser and the Guarantor relating to the sale and purchase of the Sale Shares and the Shareholders Loans
“Sale Shares”	2 shares of US\$1.00 each in the capital of Property Sky held by the Sellers, representing 100% of the issued shares of Property Sky as at the date of the SPA
“Sellers”	WTPC No. 2 and Keen Achieve

“Shareholders Loans”	the entire amount of the shareholders loans lent to the Subject Company by the Sellers as at the Closing
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Company” or “Property Sky”	Property Sky Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 50% by each of WTPC No. 2 and Keen Achieve
“Subject Group”	the Subject Company and its subsidiaries
“US\$”	US dollars, the lawful currency of the United States of America
“WTPC No. 2”	Wing Tai Properties (China) (No. 2) Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company

By Order of the Board of
WING TAI PROPERTIES LIMITED
Chung Siu Wah, Henry
Company Secretary and Group Legal Counsel

Hong Kong, 18 July 2016

As at the date of this announcement, the directors of the Company are:

Executive Directors:	Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John and Ng Kar Wai, Kenneth
Non-Executive Directors:	Kwok Ping Luen, Raymond (Kwok Ho Lai, Edward as his alternate), Hong Pak Cheung, William, Ng Tak Wai, Frederick and Chen Chou Mei Mei, Vivien
Independent Non-Executive Directors:	Simon Murray, Fang Hung, Kenneth, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma and Cheng Hoi Chuen, Vincent