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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)

MAJOR TRANSACTION

DISPOSAL OF 100% INTEREST IN GIEVES AND HAWKES INTERNATIONAL (BVI) LIMITED AND MARVINBOND LIMITED

On 11 April 2012, WTPBVI, as the Seller, entered into the Sale and Purchase Agreement with Trinity as the Purchaser, pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase the Seller's entire interest in GHIBVI and Marvinbond for a total consideration of (i) an initial purchase price of GBP32,500,000 and (ii) Subsequent Purchase Price Payments which, in aggregate, shall not exceed the Hong Kong dollar equivalent of GBP60,000,000 calculated at the Closing Date Exchange Rate. Details of the consideration and these arrangements are further described below. The total consideration receivable by the Company under the Sale and Purchase Agreement is GBP32,500,000 plus the Hong Kong dollar equivalent of up to GBP60,000,000 calculated at the Closing Date Exchange Rate.

As the applicable ratio of the Disposal under Rule 14.07 of the Listing Rules exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting and announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Major Shareholders have given their written approval to the Disposal in accordance with Rule 14.44 of the Listing Rules in lieu of a general meeting to approve the Disposal. A circular containing, among other things, the information required under the Listing Rules in relation to the Disposal will be dispatched to the shareholders of the Company on or before 15 May 2012.

INTRODUCTION

On 11 April 2012, WTPBVI, as the Seller, entered into the Sale and Purchase Agreement with Trinity as the Purchaser, pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase the Seller's entire interest in GHIBVI and Marvinbond, for a total consideration of (i) an initial purchase price of GBP32,500,000 and (ii) and Subsequent Purchase Price Payments which, in aggregate, shall not exceed the Hong Kong dollar equivalent of GBP60,000,000 calculated at the Closing Date Exchange Rate. The total consideration receivable by the Company under the Sale and Purchase Agreement is up to the Hong Kong dollar equivalent of GBP92,500,000 calculated at the Closing Date Exchange Rate. Details of the consideration and these arrangements are further described below.

SALE AND PURCHASE AGREEMENT

Date

11 April 2012

Parties

Seller:	WTPBVI
Seller's Guarantor:	the Company
Purchaser:	Trinity

The Purchaser is a leading high-to-luxury end menswear retailer. To the best of the Directors' knowledge,

information and belief, having made all reasonable enquiries, the Purchaser and its 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

The Sale Shares represent 100% of the issued shares of GHIBVI and Marvinbond. Upon Closing, the Company will cease to have any interest in GHIBVI and Marvinbond.

Pursuant to the Sale and Purchase Agreement, the Seller agreed to transfer its rights and obligations under the Seller's Shareholder's Loan, being the entire amount of the shareholder's loan owing by Marvinbond to the Seller as at the Closing, to the Purchaser.

Consideration

The total consideration for the Seller's entire interest in GHIBVI and Marvinbond is the aggregate of (i) an initial purchase price of GBP32,500,000 payable in cash and (ii) a Subsequent Purchase Price Payment for each Subsequent Purchase Price Period. The total of the Subsequent Purchase Price Payments shall not exceed the Hong Kong dollar equivalent of GBP60,000,000 calculated at the Closing Date Exchange Rate.

For each Subsequent Purchase Price Period, the Purchaser shall pay to the Seller a Subsequent Purchase Price Payment which shall equal the aggregate of (i) 3% of the amount by which the Net Retail Sales Value exceeds the Base Net Sales; and (ii) if the Net Retail Sales Value is equal to or greater than the Base Net Sales, 9% of the value of Net Wholesale Sales Value, but if the Net Retail Sales Value is less than the Base Net Sales, then 9% of the amount by which Net Wholesale Sales Value exceeds the difference between the Base Net Sales and Net Retail Sales Value.

The total consideration receivable by the Company under the Sale and Purchase Agreement is GBP32,500,000 plus the Hong Kong dollar equivalent of up to GBP60,000,000 calculated at the Closing Date Exchange Rate.

The Initial Purchase Price and Subsequent Purchase Price Payments described above were determined after arm's length negotiation between the Seller and the Purchaser with reference to, among other things, the projected revenues to be generated in the Territory and the Additional Territory from the sale of certain products bearing the Trademarks.

Conditions Precedent and Closing

Closing of the Sale and Purchase Agreement is conditional upon the satisfaction or waiver of each of the following conditions:

- (A) All consents, authorisations or clearances which are required by any government, regulatory body or authority for the implementation and completion of Sale and Purchase Agreement being granted in terms reasonably satisfactory to the Purchaser;
- (B) Granting of all consents, authorisations or clearances identified in the course of due diligence which are required for the implementation and completion of the Sale and Purchase Agreement, in terms reasonably satisfactory to the Purchaser;
- (C) No Insolvency Event having occurred in relation to the Seller before the date on which Closing would otherwise have taken place if it were not for this paragraph (C);
- (D) The Seller having promptly answered all reasonable due diligence enquiries raised by the Purchaser and the Purchaser having undertaken and completed its due diligence (including legal, accounting, tax, finance, human resources, I.T., commercial and other areas the Purchaser sees fit) with respect to the Group (on or before 15 May 2012) and there are no issues revealed in the course of due diligence where (i) the losses associated with such issues are reasonably likely to exceed the Initial Purchase Price; (ii) such issues are reasonably likely to destroy the Target Group's business or the basis of the Target Group's business such that the business is unable to operate; or (iii) the consequence of such issues cannot be remedied, is likely to have a material adverse effect and the Seller does not agree to indemnify or compensate the Purchaser in respect of such issues;

- (E) The sale by Gieves & Hawkes plc of its shares in the capital of Burnlave Properties Limited at book value having been completed in all respects, and the Purchaser having been provided with evidence to that effect reasonably satisfactory to the Purchaser; and
- (F) The terms of a lease for the basement, ground and first floor of No. 1 Savile Row between New Ego Limited (a wholly owned subsidiary of the Company) and Gieves Limited (a wholly owned subsidiary of Marvinbond) having been agreed between the Seller and the Purchaser.

If all of the conditions are satisfied or waived on or before 30 April 2012, Closing shall take place on 30 April 2012, or such other date as may be agreed by the parties in writing. If any of the conditions are not satisfied or waived on or before 30 April 2012, the Closing Date shall be extended to a day that falls 3 Business Days after all of the conditions are satisfied or waived, or such other date as may be agreed by the parties in writing. If any of the conditions are not satisfied or waived on or before 31 May 2012, the Sale and Purchase Agreement shall be capable of termination by either party forthwith on written notice to the other. In the event that condition (F) is not satisfied or waived on or before 31 May 2012, the Sale and Purchase Agreement may be terminated by the Purchaser only if the Purchaser has acted reasonably in negotiating the new lease and the Seller has not acted reasonably in negotiating the lease for the basement, ground and first floor of No. 1 Savile Row.

Guarantees

The Seller's Guarantor has guaranteed to the Purchaser the due and punctual performance and observance by the Seller of all obligations, undertakings or commitments subject to and upon the terms and conditions of the Sale and Purchase Agreement.

INFORMATION OF GHIBVI AND MARVINBOND

GHIBVI is an investment holding and licensing company. Marvinbond is an investment holding company. The subsidiaries of GHIBVI and Marvinbond are engaged in investment holding, retailing, wholesaling of menswear, tailoring, outfitting, licensing of trademarks and management services.

Certain unaudited financial information of the Marvinbond Group (which, for the avoidance of doubt, includes the Excluded Entities) based on the generally accepted accounting principles in Hong Kong are set out below: –

(a) Losses before and after taxation

	Losses before taxation	Losses after taxation
For the period from 1 January 2010 – 25 December 2010 (Note 1)	£2,686,900 (approximately HK\$32,559,400) (Note 3)	£2,743,900 (approximately HK\$33,250,100) (Note 3)
For the period from 26 December 2010 – 31 December 2011 (Note 2)	£3,472,600 (approximately HK\$43,500,900) (Note 4)	£3,534,600 (approximately HK\$44,277,600) (Note 4)

Notes:

- The HK\$ figures are based on an exchange rate of £1.00 = HK\$12.118.
- The HK\$ figures are based on an exchange rate of £1.00 = HK\$12.527.
- The profits before and after taxation of the Excluded Entities for the year ended 31 December 2010 were £90 (approximately HK\$1,000) and £50 (approximately HK\$600), respectively.
- The profits before and after taxation of the Excluded Entities for the year ended 31 December 2011 were £90 (approximately HK\$1,100) and £70 (approximately HK\$800), respectively.

(b) Net liabilities of the Marvinbond Group as at 31 December 2011: £13,672,800 (approximately HK\$163,800,700) (Notes 5, 6 and 7)

Notes:

- The HK\$ figure is based on an exchange rate of £1.00 = HK\$11.98.
- The net liabilities of the Marvinbond Group include the amount of the Shareholder Loan to be assigned to the Purchaser pursuant to the Sale and Purchase Agreement.
- The net assets of the Excluded Entities as at 31 December 2011 was £27,800 (approximately HK\$333,400).

Certain unaudited financial information of the GHIBVI Group based on the generally accepted accounting principles in Hong Kong are set out below: –

(a) Losses before and after taxation of GHIBVI

	Losses before taxation	Losses after taxation
For the year ended 31 December 2010 (Note 8)	£32,400 (approximately HK\$393,000) (Notes 10 & 11)	£32,400 (approximately HK\$393,000) (Notes 10 & 11)
For the year ended 31 December 2011 (Note 9)	£72,400 (approximately HK\$907,000) (Notes 10 & 12)	£72,400 (approximately HK\$907,000) (Notes 10 & 12)

Notes:

8. The HK\$ figures are based on an exchange rate of £ 1.00 = HK\$12.118.
9. The HK\$ figures are based on an exchange rate of £ 1.00 = HK\$12.527.
10. Other than Savile Row, GHIBVI had a subsidiary during the last two financial years. Such subsidiary (the "Disposed Subsidiary") was disposed of in March 2012.
11. The losses before and after taxation of the Disposed Subsidiary for the year ended 31 December 2010 were £40,400 (approximately HK\$489,100) and £40,400 (approximately HK\$489,100), respectively.
12. The losses before and after taxation of the Disposed Subsidiary for the year ended 31 December 2011 were £42,400 (approximately HK\$531,000) and £42,400 (approximately HK\$531,000), respectively.

(b) Net liabilities of GHIBVI as at 31 December 2011: £108,900 (approximately HK\$1,305,000) (Notes 13 and 14)

Notes:

13. The HK\$ figure is based on an exchange rate of £ 1.00 = HK\$11.98.
14. The net liabilities of the Disposed Subsidiary as at 31 December 2011 was £3,034,500 (approximately HK\$36,353,700).

(c) Profits/Losses before and after taxation of Savile Row

	<u>Profits before taxation</u>	<u>Losses after taxation</u>
For the year ended 31 December 2010 (Note 15)	£1,800 (approximately HK\$21,800)	£1,000 (approximately HK\$12,100)
For the year ended 31 December 2011 (Note 16)	£2,500 (approximately HK\$31,300)	£100 (approximately HK\$1,300)

Notes:

15. The HK\$ figure is based on an exchange rate of £1.00 = HK\$12.118.
16. The HK\$ figure is based on an exchange rate of £1.00 = HK\$12.527.

(d) Net assets of Savile Row as at 31 December 2011: £3,800 (approximately HK\$45,900) (Note 17)

Note:

17. The HK\$ figure is based on an exchange rate of £1.00 = HK\$11.98.

INFORMATION ABOUT THE COMPANY

The Company is an investment holding company. The principal subsidiaries of the Company are engaged in property development, property investment and management, hospitality investment and management, garment manufacturing, branded products distribution and investing activities.

REASONS FOR THE DISPOSAL

The Directors consider that the Disposal is in line with the Group's strategy and business focus to be an integrated property player. The Disposal represents a good opportunity for the Group to realise its investment at a reasonable Initial Purchase Price and the possibility of continuous earnings from future growth of this sold business in the Territory and the Additional Territory through the Subsequent Purchase Price Payments for the 18 years after Closing.

Upon Closing, the Disposal is expected to realise an estimated gain of approximately HK\$275 million for the Group, which is subject to audit and expected to be accounted for in the consolidated financial statements of the Company for the financial year ending 31 December 2012. The estimated gain is derived from the Initial Purchase Price and the estimated net present value of the Subsequent Purchase Price less the total of: (1) the carrying value of Marvinbond and GHIBVI of HK\$58 million; (2) the estimated deficit of the retirement scheme based on the latest professional valuation; and (3) the estimated potential indemnity claims and transaction costs. 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 Sale and Purchase Agreement 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 ratio of the Disposal under Rule 14.07 of the Listing Rules exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting and announcement and the shareholders' approval requirements under Chapter 14 the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as (1) no existing Shareholder has any interest in the Disposal; (2) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal; and (3) the Major Shareholders, a closely allied group of shareholders who together beneficially own more than 50% in nominal value of the shares in the capital of the Company giving them the right to attend and vote at the Company's general meetings, have approved in writing in accordance with Rule 14.44 of the Listing Rules in lieu of a general meeting to approve the Disposal, no general meeting will be held to approve the Disposal which has been approved by the Major Shareholders in writing.

The Major Shareholders beneficially own the following shares in the Company as at the date of this announcement:

Name of Major Shareholder	Number of shares directly held	Percentage of shareholding
Brave Dragon Limited	141,794,482	10.66%
Wing Tai Retail Pte. Ltd. ("Wing Tai Retail")	50,282,667	3.78%
Crossbrook Group Limited ("Crossbrook")	270,411,036	20.33%
Bestime Resources Limited	91,663,995	6.89%
Pofung Investments Limited	88,930,828	6.69%
Broxbourne Assets Limited	17,323,957	1.30%
Mr. Cheng Wai Chee, Christopher ("Mr. Christopher Cheng")	6,794,940	0.51%
Mr. Cheng Wai Sun, Edward ("Mr. Edward Cheng")	6,037,981	0.45%
Total	673,239,886	50.61%

Messrs. Christopher Cheng, Edward Cheng and Cheng Man Piu, Francis are beneficiaries of a family trust (the "Family Trust") the assets of which include indirect interests in shares in Wing Tai Holdings Limited, which is the parent company of Brave Dragon Limited, Crossbrook and Wing Tai Retail. Messrs. Christopher Cheng, Edward Cheng, Cheng Man Piu, Francis and other beneficiaries of the Family Trust collectively own the entire issued share capital of Wing Tai (Cheng) Holdings Ltd. and Pacific Investment Exponents Inc. which, in turn, own a controlling interest in Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited.

A circular containing, among other things, the information required under the Listing Rules in relation to the Disposal will be dispatched to the shareholders of the Company on or before 15 May 2012. Additional time is required to finalise a letter in relation to the sufficiency of working capital of the Company from the auditor of the Company, as required by Rule 14.66(12) of the Listing Rules.

DEFINITIONS

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

“Additional Territory”	Australia and New Zealand
“Base Net Sales”	(a) for the current year, the number of calendar months in the Subsequent Purchase Price Period divided by twelve and multiplied by HK\$506,700,000; (b) for the year 2030, the number of calendar months in that Subsequent Purchase Price Period divided by twelve and multiplied by HK\$506,700,000; and (c) for the years 2013 – 2029, HK\$506,700,000
“Business Days”	a day (not being a Saturday or a Sunday) when banks generally are open in Hong Kong for the transaction of general banking business
“Closing”	the completion of the sale of the Sale Shares pursuant to the Sale and Purchase Agreement
“Closing Date”	the date of Closing, being 30 April 2012 or such other date as may be agreed by the parties to the Sale and Purchase Agreement in writing
“Closing Date Exchange Rate”	The average of the buy/sell rate for the relevant currencies quoted by The Hongkong and Shanghai Banking Corporation Limited in Hong Kong at the close of business on the Closing Date
“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 disposal of the Sale Shares and the Seller’s Shareholder’s Loan by the Seller to the Purchaser pursuant to the Sale and Purchase Agreement
“Excluded Entities”	Burnlave Properties Limited and its subsidiary, Burnlave Securities Limited, which are currently within the Marvinbond Group and which will be spun off from the Marvinbond Group as part of the Reorganisation
“GBP”	pounds sterling, the lawful currency of the United Kingdom
“GHIBVI”	Gieves and Hawkes International (BVI) Limited, a company limited by shares incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Seller
“GHIBVI Group”	GHIBVI and Savile Row
“Group”	the Company and its subsidiaries
“HK\$” or “HK dollar”	Hong Kong dollars, the lawful currency of Hong Kong
“Initial Purchase Price”	GBP32,500,000
“Insolvency Event”	has the meaning as defined in the Sale and Purchase Agreement

“Intra-Group Sales”	Wholesale Sales made by the Target Group and/or the Purchaser’s Group and/or the licensee of any of the Trademarks on the one hand to the Target Group and/or the Purchaser’s Group and/or the licensee of any of the Trademarks on the other hand
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholders”	Brave Dragon Limited, Wing Tai Retail, Crossbrook, Bestime Resources Limited, Pofung Investments Limited, Broxbourne Assets Limited, Mr. Christopher Cheng and Mr. Edward Cheng
“Marvinbond”	Marvinbond Limited, a company limited by shares incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Seller
“Marvinbond Group”	Marvinbond and its subsidiaries
“Net Retail Sales Value”	in respect of a Subsequent Purchase Price Period, the price (excluding VAT and other taxes chargeable in connection with the sale, insurance and carriage and all rebates, discounts, and other reductions actually granted save discounts for prompt payment) for all sales of men’s ready to wear clothing bearing the Trademarks by the Group and/or the Purchaser’s Group and/or the owner of any of the Trademarks and/or the licensee of any of the Trademarks to end consumers in the Territory
“Net Wholesale Sales Value”	in respect of a Subsequent Purchase Price Period, the price (excluding VAT and other taxes chargeable in connection with the sale, insurance and carriage and all rebates, discounts and other reductions actually granted save discounts for prompt payment) for all sales of men’s ready to wear clothing bearing the Trademarks by the Target Group and/or the Purchaser’s Group and/or the owner of any of the Trademarks and/or the licensee of any of the Trademarks for re-sale purposes in the Territory and Additional Territory provided that Intra-Group Sales shall not be treated as Wholesale Sales
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, Macau and Taiwan)
“Purchaser” or “Trinity”	Trinity Limited, a company limited by shares incorporated in Bermuda listed on the Main Board of the Stock Exchange (stock code: 891).
“Purchaser’s Group”	the Purchaser, its subsidiaries and subsidiary undertakings and any holding company or parent undertaking of the Purchaser and all other subsidiaries and subsidiary undertaking of any holding company or parent undertaking of the Purchaser
“Reorganisation”	the sale by the Marvinbond Group of the Excluded Entities at book value
“Savile Row”	Savile Row Logistics Limited, a company limited by shares incorporated in the United Kingdom
“Sale Shares”	the entire issued share capital of GHIBVI and Marvinbond
“Seller” or “WTPBVI”	Wing Tai Properties (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Seller’s Guarantor”	the Company
“Seller’s Shareholder’s Loan”	the entire amount of the shareholder’s loan owing by Marvinbond to the Seller in the total amount of HK\$247,803,139 as at the Closing Date
“Shareholders”	the shareholders of the Company

“Sale and Purchase Agreement”	the sale and purchase agreement dated 11 April 2012 entered into between the Seller, the Seller’s Guarantor and the Purchaser relating to the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Purchase Price Payments”	payments made to the Seller in respect of each Subsequent Purchase Price Period
“Subsequent Purchase Price Periods”	(a) for the current year, the period beginning the first day of the calendar month immediately following the Closing Date and ending on 31 December 2012; (b) for the years 2013 – 2029, the period beginning 1 January and ending on 31 December of that year; and (c) for the year 2030, the period beginning 1 January and ending the day before the 18 th anniversary of the first day of the calendar month immediately following the Closing Date
“Target Group”	GHIBVI and Marvinbond and their subsidiaries
“Tax”	all forms of taxation and statutory, governmental, supra governmental, state, local governmental or municipal impositions, duties, contributions, deductions, withholdings and levies whether of the United Kingdom or elsewhere whenever imposed and all penalties, charges, costs and interest relating to any of them
“Territory”	Hong Kong, Taiwan, Macau and the PRC excluding airport or port duty free areas within those regions
“Trademarks”	the trademarks as set out in the Sale and Purchase Agreement
“VAT”	value added tax as provided for in the Value Added Tax Act 1994 and any Tax similar to that Tax imposed in addition to or in substitution for it at the rates from time to time imposed
“Wholesale Sales”	in respect of a Subsequent Purchase Price Period, the sales of men’s ready to wear clothing bearing the Trademarks by the Target Group and/or the Purchaser’s Group and/or the owner of any of the Trademarks and/or the licensee of any of the Trademarks for re-sale purposes in the Territory and Additional Territory provided that Intra-Group Sales shall not be treated as Wholesale Sales

By Order of the Board of
WING TAI PROPERTIES LIMITED
Fung Ching Man, Janet
Company Secretary & Chief Financial Officer

Hong Kong, 11 April 2012

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 Au Hing Lun, Dennis
Non-Executive Directors:	Kwok Ping Luen, Raymond, Yung Wing Chung (also an alternate to Kwok Ping Luen, Raymond), Hong Pak Cheung, William, Loh Soo Eng and Ng Tak Wai, Frederick
Independent Non-Executive Directors:	Simon Murray, Fang Hung, Kenneth and Yeung Kit Shing, Jackson