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**THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Wing Tai Properties Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 ALLIED EFFORT LIMITED**

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Appendix I – Financial information of the Group</b> .....	I-1
<b>Appendix II – Property valuation report</b> .....	II-1
<b>Appendix III – General information</b> .....	III-1

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the meanings set out below:*

“Agreement”	the legally binding letter agreement dated 31 January 2018 entered into between the Vendor, the Purchaser and the Purchaser’s Guarantor in relation to the disposal of the entire issued share capital of Allied Effort and the assignment of the Intra-Group Debt to the Purchaser
“Allied Effort”	Allied Effort Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Vendor
“Allied Effort Group”	Allied Effort and Winnion collectively
“Board”	the board of directors of the Company
“Business Day”	a day, other than a Saturday, Sunday, public holiday and a day on which a typhoon signal no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 am and 5:00 pm, on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
"Closing"	the completion of the Disposal pursuant to the Agreement, which shall take place on the date falling 10 Business Days after the date on which the condition precedent is satisfied or on the first Business Day after the date falling 4 months from the date of the Agreement, whichever is the later
"Closing Statement"	the statement to be prepared and delivered by the Vendor to the Purchaser after Closing in accordance with the Agreement, reflecting the consolidated financial position of the Allied Effort Group as at Closing
“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
“Consideration”	the aggregate consideration for (i) the sale of the entire issued share capital of Allied Effort and (ii) the assignment of the Intra-Group Debt
“Directors”	the directors of the Company

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## DEFINITIONS

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“Disposal”	the disposal of the entire issued share capital of Allied Effort and the assignment of the Intra-Group Debt to the Purchaser pursuant to the Agreement
“Estimated Closing Statement”	the estimated closing statement to be delivered by the Vendor to the Purchaser at least 5 Business Day prior to Closing reflecting the Vendor’s good faith estimate of the consolidated financial position of Allied Effort
“Estimated NAV Excess”	where the amount of the Estimated Other Assets is greater than the amount of the Estimated Other Liabilities, the amount equal to such excess
“Estimated NAV Shortfall”	where the amount of the Estimated Other Assets is less than the amount of the Estimated Other Liabilities, the amount equal to such shortfall
“Estimated Other Assets”	the Vendor’s good faith estimate of the aggregate amount of the consolidated assets (other than the Property) of Allied Effort immediately before Closing as set out in the Estimated Closing Statement
“Estimated Other Liabilities”	the Vendor’s good faith estimate of the aggregate amount of the consolidated liabilities of Allied Effort immediately before Closing (other than the Intra-Group Debt) as set out in the Estimated Closing Statement
“Estimated Purchase Price”	the amount equal to HK\$2,848,800,000 as adjusted by the following (a) plus, if there is an Estimated NAV Excess, an amount equal to the Estimated NAV Excess, or (b) minus, if there is an Estimated NAV Shortfall, an amount equal to the Estimated NAV Shortfall, in each case as set out in the Estimated Closing Statement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Intra-Group Debt”	any and all outstanding indebtedness owing by the Allied Effort Group to the Vendor and the Group (other than Allied Effort and Winnion) immediately before Closing
“Latest Practicable Date”	14 February 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholder(s)”	Brave Dragon Limited, Wing Tai Retail Pte. Ltd., Crossbrook Group Limited, Bestime Resources Limited, Pofung Investments Limited, Broxbourne Assets Limited, Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“NAV Excess”	where the amount of the Other Assets is greater than the amount of the Other Liabilities, the amount equal to such excess
“NAV Shortfall”	where the amount of the Other Assets is less than the amount of the Other Liabilities, the amount equal to such shortfall
“Other Assets”	the aggregate amount of the consolidated assets (other than the Property) of Allied Effort immediately before Closing, as set out in the Closing Statement
“Other Liabilities”	the aggregate amount of the consolidated liabilities of Allied Effort immediately before Closing (other than the Intra-Group Debt), as set out in the Closing Statement
“Property”	the property known as “W Square” situated at 314-324 Hennessy Road, Wanchai, Hong Kong (The Remaining Portion and Section D of Marine Lot No. 122) with marketing gross floor area of approximately 129,000 square feet for office and retail space
“Purchaser”	Top Sincerity Limited, a company incorporated in the British Virgin Islands with limited liability
“Purchaser’s Guarantor”	Winland Group Limited, a company incorporated in Hong Kong with limited liability
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	the shareholder(s) of the Company

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## DEFINITIONS

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“Shares”	ordinary shares of HK\$0.50 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	WTP Investment (Hong Kong) Limited, being the vendor under the Agreement and a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Winnion”	Winnion Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Allied Effort

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Cheng Wai Chee, Christopher *GBS OBE JP (Chairman)*

Cheng Wai Sun, Edward *SBS JP*

*(Deputy Chairman and Chief Executive)*

Cheng Man Piu, Francis

Chow Wai Wai, John

Ng Kar Wai, Kenneth

*Head office and principal place  
of business in Hong Kong:*

27th Floor, AIA Kowloon Tower

Landmark East

100 How Ming Street

Kwun Tong

Kowloon

Hong Kong

*Non-executive Directors:*

Kwok Ping Luen, Raymond *JP*

*(Kwok Ho Lai, Edward as his alternate)*

Hong Pak Cheung, William

Ng Tak Wai, Frederick

Chen Chou Mei Mei, Vivien

*Registered office:*

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Independent non-executive Directors:*

Simon Murray *CBE*

Fang Hung, Kenneth *GBS CBE JP*

Yeung Kit Shing, Jackson

Haider Hatam Tyebjee Barma *GBS CBE ISO JP*

Cheng Hoi Chuen, Vincent *GBS OBE JP*

23 February 2018

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION DISPOSAL OF 100% INTEREST IN ALLIED EFFORT LIMITED**

#### **1. INTRODUCTION**

Reference is made to the announcement of the Company dated 1 February 2018 in relation to the Agreement for the Disposal, pursuant to which the Vendor has agreed to (i) sell to the Purchaser the entire issued share capital of Allied Effort (which, through Winnion, indirectly owns the Property) and (ii) assign to the Purchaser the Intra-Group Debt.

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## LETTER FROM THE BOARD

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The Agreement relating to the Disposal was entered into between the Vendor, the Purchaser and the Purchaser's Guarantor on 31 January 2018. Details of the Agreement are set out in this Letter below.

Pursuant to the Agreement, the closing of the Disposal is subject to fulfillment of the condition precedent as set out in the section headed "Condition Precedent" in this Letter. On 5 February 2018, the written approval from the Major Shareholders to approve the Disposal was obtained. Details relating to obtaining the written approval from the Major Shareholders are set out in the paragraph headed "Listing Rules Implications" in this Letter.

The purpose of this circular is to provide you with the information relating to, among others, details of the Disposal, and the financial and general information of the Group.

### **2. DETAILS OF THE DISPOSAL**

#### **The Agreement**

##### **Date**

31 January 2018

##### **Parties**

Vendor:	WTP Investment (Hong Kong) Limited
Purchaser:	Top Sincerity Limited
Purchaser's Guarantor:	Winland Group Limited

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

##### **Assets disposed**

Pursuant to the Agreement, the Vendor has agreed to (i) sell to the Purchaser the entire issued share capital of Allied Effort and (ii) assign to the Purchaser the Intra-Group Debt.

Allied Effort holds all of the issued shares of Winnion and Winnion owns the entire interest in the Property. The Property is known as "W Square" situated at 314-324 Hennessy Road, Wanchai, Hong Kong with marketing gross floor area of approximately 129,000 square feet for office and retail space. The Property shall be sold on an "as-is" basis, subject to and with the benefit of the existing tenancy agreements and/or licence agreements in respect of the Property. Further details relating to the Property are set out in the section headed "Information about the Property" in this Letter below.



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## LETTER FROM THE BOARD

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Upon Closing, the Company will cease to have any interest in the Allied Effort Group and Allied Effort and Winnion will cease to be subsidiaries of the Company.

### **Consideration**

The Consideration shall be an amount equal to the initial purchase price of HK\$2,848,800,000, as adjusted by the following (a) plus, if there is an NAV Excess, an amount equal to the NAV Excess, or (b) minus, if there is an NAV Shortfall, an amount equal to the NAV Shortfall, in each case as at Closing as set out in the Closing Statement.

Pursuant to the Agreement, the Vendor has received part of the Consideration as deposits, comprising: (i) an initial deposit of HK\$30,000,000 received by the Vendor upon signing of the Agreement and (ii) a further deposit of HK\$254,880,000 received by the Vendor on 12 February 2018 (together, the “**Deposits**”). The balance (being an amount calculated by deducting the amount of the Deposits from the Estimated Purchase Price) shall be payable by the Purchaser to the Vendor at Closing.

Within 15 Business Days of the Closing Statement becoming final and binding on the parties in accordance with the Agreement, (a) if the Consideration (as set out in the Closing Statement) is higher than the Estimated Purchase Price, the Purchaser shall pay to the Vendor the difference in cash; and (b) if the Consideration (as set out in the Closing Statement) is lower than the Estimated Purchase Price, the Vendor shall reimburse the Purchaser the difference in cash.

The consideration was determined after arm’s length negotiations having taken into account, among other things, the offer price of comparable properties in nearby locations and was based on normal commercial terms after considering the property market conditions in Hong Kong at the time of entering into the Agreement.

### **Condition Precedent**

The Disposal is subject to the obtaining of approval by the Shareholders in accordance with the requirements of Chapter 14 of the Listing Rules.

### **Termination**

Pursuant to the Agreement, if (a) the condition precedent under the Agreement as described above is not fulfilled before the date falling 60 Business Days from the date of the Agreement, either the Vendor or the Purchaser shall be entitled to terminate the Agreement by giving written notice, or (b) Closing does not take place on the date scheduled for Closing as a direct result of any material default by the Vendor, the Purchaser shall be entitled to terminate the Agreement on written notice. In the event of (a) or (b) described above, the Deposits shall be returned (without interest) to the Purchaser within 10 Business Days.

If Closing does not take place on the date scheduled for Closing as a direct result of default by the Purchaser, the Vendor shall be entitled to terminate the Agreement on written notice to the Purchaser, in which event the Deposits and all interest accrued thereon (if any) shall be forfeited to the Vendor as liquidated damages in respect of such termination.

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## LETTER FROM THE BOARD

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### Guarantee

The Purchaser's Guarantor has agreed to guarantee to the Vendor the due and punctual performance by the Purchaser of all its obligations, undertakings and warranties under the Agreement.

### Share Purchase Agreement

The parties have agreed to use all reasonable endeavours to agree and enter into a share purchase agreement ("**SPA**") in respect of the Disposal consistent with, but not limited to, the terms and conditions set out in the Agreement within 30 Business Days from the date of the Agreement (or such other date as may be agreed between the Vendor and the Purchaser). If an SPA is not signed by such date, the terms of the Agreement shall continue to remain valid and legally binding on the parties.

### 3. INFORMATION ABOUT THE ALLIED EFFORT GROUP AND THE PROPERTY

Allied Effort is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Vendor, which is in turn an indirect wholly-owned subsidiary of the Company.

Allied Effort is an investment holding company. It holds the entire issued shares of Winnion, which owns the entire interest in the Property.

Certain unaudited financial information of the Allied Effort Group prepared on the basis of the generally accepted accounting principles in Hong Kong for the two financial years ended 31 December 2016 and 2017 is set out below:

	<b>2016</b> <i>HK\$'million</i>	<b>2017</b> <i>HK\$'million</i>
<b>Consolidated net assets</b>		
Consolidated net assets (excluding unaudited valuation gain of the Property in 2017)	1,163	1,187
Add: Unaudited valuation gain of the Property in 2017	<u>—</u>	<u>335</u>
Adjusted consolidated net assets (including unaudited valuation gain of the Property in 2017)	<u><u>1,163</u></u>	<u><u>1,522</u></u>
<b>Net profits before taxation</b>		
Net profits before taxation (excluding unaudited valuation gain of the Property in 2017)	27	29
Add: Unaudited valuation gain of the Property in 2017	<u>—</u>	<u>335</u>
Adjusted net profits before taxation (including unaudited valuation gain of the Property in 2017)	<u><u>27</u></u>	<u><u>364</u></u>

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## LETTER FROM THE BOARD

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	<b>2016</b> <i>HK\$'million</i>	<b>2017</b> <i>HK\$'million</i>
<b>Net profits after taxation</b>		
Net profits after taxation (excluding unaudited valuation gain of the Property in 2017)	23	24
Add: Unaudited valuation gain of the Property in 2017	<u>–</u>	<u>335</u>
Adjusted net profits after taxation (including unaudited valuation gain of the Property in 2017)	<u><u>23</u></u>	<u><u>359</u></u>

#### 4. INFORMATION ABOUT THE PROPERTY

The Property was acquired in 2005 and refurbished in 2008 at an aggregate cost of approximately HK\$783 million. The total marketing gross floor area of the Property is approximately 129,000 square feet and is used for office and retail space. As at 30 June 2017, the Property achieved an occupancy of approximately 94%. The total rental income and net profits attributable to the Property for the years ended 31 December 2016 and 2017 were as follows:

	<b>2016</b> <i>HK\$ million</i>	<b>2017</b> <i>HK\$ million</i> (unaudited)
Rental income	<u><u>51</u></u>	<u><u>55</u></u>
Net profits (excluding valuation gain of the Property)		
– before taxation	<u><u>27</u></u>	<u><u>29</u></u>
– after taxation	<u><u>23</u></u>	<u><u>24</u></u>

The net book value of the Property as at the date of the latest audited consolidated financial statements of the Company, that is, 31 December 2016, was approximately HK\$1,790 million. The Consideration represents an excess of approximately HK\$1,059 million over the net book value of the Property as at 31 December 2016. The valuation of the Property was HK\$2,125 million as at 31 December 2017, which was made by an independent property valuer and is subject to audit.

#### 5. INFORMATION ABOUT THE GROUP

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.

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## LETTER FROM THE BOARD

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### **6. INFORMATION ABOUT THE PURCHASER AND THE PURCHASER'S GUARANTOR**

So far as the Directors are aware, the principal activity of the Purchaser is property investment and the principal activity of the Purchaser's Guarantor is investment holding.

### **7. REASONS FOR AND THE BENEFITS OF THE DISPOSAL**

The Directors are of the view that the Disposal will unlock the value of the Property and further enhance the shareholder value. The Directors (including the independent non-executive directors) are of the view that the terms of the Disposal are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **8. USE OF PROCEEDS**

The net proceeds of approximately HK\$2,818 million from the Disposal (subject to finalisation of the Closing Statement at Closing in accordance with the Agreement) will be used for the furtherance of the business of the Group including the financing of the Group's business expansion and general working capital.

### **9. FINANCIAL EFFECTS OF THE DISPOSAL**

The Group expects to recognise a gain on the Disposal in the amount of approximately HK\$1,060 million, which is calculated based on (i) the Consideration; (ii) the unaudited consolidated net asset value of the Allied Effort Group as at 31 December 2017 (excluding unaudited valuation gain of the Property in 2017); (iii) the Intra-Group Debt as at 31 December 2017; and (iv) the transaction costs on the Disposal. The actual gain on the Disposal is subject to audit (taking into account any valuation gain of the Property as at 31 December 2017) and may be different from the expected amount as stated above.

After Closing, the consolidated total assets of the Group will be increased by approximately HK\$1,021 million and the consolidated total liabilities of the Group will be decreased by approximately HK\$39 million.

### **10. LISTING RULES IMPLICATIONS**

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

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, (1) no existing Shareholder has any material interest in the Disposal; and (2) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. On 5 February 2018, the Company obtained written approval from the Major Shareholders (who are a closely allied group of Shareholders who together hold more than 50% of the voting rights in a general meeting of the Company) in lieu of a general meeting to approve the Disposal in accordance with Rule 14.44 of the Listing Rules.

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## LETTER FROM THE BOARD

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The Major Shareholders beneficially own the following Shares as at the Latest Practicable Date:

<b>Name of Major Shareholder</b>	<b>Number of Shares directly held</b>	<b>Percentage of shareholding</b>
Brave Dragon Limited	141,794,482	10.51%
Wing Tai Retail Pte. Ltd. ("Wing Tai Retail")	50,282,667	3.73%
Crossbrook Group Limited ("Crossbrook")	270,411,036	20.04%
Bestime Resources Limited	93,629,998	6.94%
Pofung Investments Limited	88,930,828	6.59%
Broxbourne Assets Limited	17,323,957	1.28%
Mr. Cheng Wai Chee, Christopher ("Mr. Christopher Cheng")	12,602,816	0.93%
Mr. Cheng Wai Sun, Edward ("Mr. Edward Cheng")	10,535,481	0.78%
<b>Total</b>	<b>685,511,265</b>	<b>50.81%</b>

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.

### 11. RECOMMENDATION

The Directors are of the view that the terms of the Disposal are on normal commercial terms and are fair and reasonable and is in the interests of the Company and the Shareholders as a whole. If a general meeting were to be convened for the approval of the Disposal, the Directors would recommend the Shareholders to vote in favour of the resolution to approve the Disposal at such general meeting.

### 12. GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully  
For and on behalf of the Board  
**WING TAI PROPERTIES LIMITED**  
**Cheng Wai Chee, Christopher**  
*Chairman*

**1. FINANCIAL INFORMATION OF THE GROUP**

The audited consolidated financial statements of the Group for the three years ended 31 December 2014, 2015 and 2016, and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2016 and 2017 are disclosed in the annual reports of the Company for the years ended 31 December 2014, 2015 and 2016, and the interim reports of the Company for the six months ended 30 June 2016 and 2017. All of which are published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.wingtaiproperties.com>).

**2. INDEBTEDNESS STATEMENT****Borrowings**

As at 31 December 2017 (being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular), the Group had total outstanding borrowings of approximately HK\$6,184 million, comprising secured bank loans, unsecured bank loans, unsecured fixed rate bonds and other unsecured long-term loans from non-controlling interests of the Group of approximately HK\$3,407 million, HK\$755 million, HK\$1,866 million and HK\$156 million, respectively. Those unsecured bank loans and unsecured fixed rate bonds were guaranteed by the Company.

**Contingent liabilities**

As at 31 December 2017, the Group had contingent liabilities of HK\$5,223 million in respect of guarantees given by the Company for banking facilities granted to certain joint ventures. The guarantees were given severally and in proportion to the Group's equity interests in the joint venture.

**Securities and charges**

As at 31 December 2017, several investment properties, properties for sale and other financial assets of the Group, with carrying values of approximately HK\$3,843 million, HK\$3,848 million and HK\$365 million, respectively were pledged to secure bank loans and credit facilities for the Group.

Save as disclosed herein and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not as at 31 December 2017, have any other material debt securities, issued or outstanding, or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments, mortgages, charges, contingent liabilities or guarantees.

The Directors have confirmed that there has not been any other material change in the indebtedness and contingent liabilities of the Group since 31 December 2017.

### **3. WORKING CAPITAL**

For the working capital sufficiency of the Group's present requirements for the at least next 12 months from the date of this circular, the Directors have made the assumptions that the total project loan facilities of the Group and its joint venture of approximately HK\$3,200 million which are due for repayment within the next 12 months from the date of this circular, will be duly renewed or otherwise replaced by new financing arrangements of equivalent amounts. As at the Latest Practicable Date, these loan facilities are under negotiation with banks. The Group and its joint venture have not obtained any written confirmation from these banks that such facilities will be renewed, though based on past experience, the Directors are of the opinion that the aforesaid renewal or new financing arrangements will be available to the Group and its joint venture within the next 12 months from the date of this circular.

In addition, the Group has available bank balances, banking facilities and combination of various funding options (such as other bank borrowings, bond financing or equity financing) to meet the aforesaid renewal or new financing arrangement.

The Directors are of the opinion that after taking into account the net proceed from the Disposal and the present internal financial resources available to the Group, including the internally generated funds and the presently available banking facilities, and based on the assumptions regarding project loan facilities as set out above, the Group has, in the absence of unforeseeable circumstances, sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

### **4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

For the year ended 31 December 2016, the Group reported a consolidated profit attributable to equity holders of approximately HK\$1,147 million, compared with approximately HK\$1,099 million in 2015. The 4.4% increase in profit was mainly due to higher aggregate sale of residential properties being recognised and growing rental income from investment properties. The total revenue for the Group was approximately HK\$1,103 million, an increase of 9.3% compared with approximately HK\$1,009 million in 2015.

For the six months ended 30 June 2017, the Group reported an unaudited consolidated profit attributable to equity holders of approximately HK\$450 million, compared with approximately HK\$300 million for the six months ended 30 June 2016. The 50% increase in profit was mainly due to a higher fair value gain on investment properties and financial instruments and a higher profit from property development and property investment. The total unaudited revenue for the Group was approximately HK\$546 million for the six months ended 30 June 2017, an increase of 16.7% compared with approximately HK\$468 million for the six months ended 30 June 2016.

Brexit will cast a shadow over the world economy and Asia remains the engine of global growth amid broader macroeconomic uncertainty. In Hong Kong, the primary residential market is expected to continue to be supported by strong pent-up demand in an ongoing low interest rate environment. With prevailing expectations on the pace of interest rate rises in the United States, Hong Kong's interest rates are likely to stay at low levels in the months to come.

The Directors consider that upon completion of the Disposal, the Group's financial and cash position has been further strengthened, and the Group will be able to make investment promptly when opportunities arise.

#### **5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited financial statements of the Group were made up.



*The following is the text of a letter and the valuation certificate prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Limited, an independent property valuer, in connection with its valuation of the Property to be disposed by the Vendor as at 31 December 2017.*

20 February 2018

The Directors  
Wing Tai Properties Limited  
27th Floor, AIA Kowloon Tower  
Landmark East  
100 How Ming Street  
Kwun Tong  
Kowloon, Hong Kong

Dear Sir

**Re: W Square, Nos. 314-324 Hennessy Road, Wan Chai, Hong Kong**

## **1.0 INTRODUCTION**

### **1.1 Instruction**

We refer to the instructions from Wing Tai Properties Limited (“the Company”) for us to provide our opinion of the market value of the property interest of **W Square, Nos. 314-324 Hennessy Road, Wan Chai, Hong Kong** (“the Property”) held by its subsidiary, Winnion Limited, for the purpose of inclusion in a circular to be issued by the Company for the disposal of the entire issued capital of Allied Effort Limited which holds the entire issued share capital of Winnion Limited.

We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the market value of the Property as at 31 December 2017 (“the Date of Valuation”).

### **1.2 Basis of Valuation**

All work is carried out in accordance with the “HKIS Valuation Standards 2017” published by The Hong Kong Institute of Surveyors (“HKIS”), the “International Valuation Standards 2017” published by the International Valuation Standards Council (“IVSC”) and the “RICS Valuation – Global Standards 2017” published by the Royal Institution of Chartered Surveyors (“RICS”) subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards.

Our valuation of the property interest is made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out as:

*“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

We have valued the Property as a single property interest and 100% of the property interest and not the ownership of companies or the shares within each.

Our valuation is current as at the Date of Valuation only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

### **1.3 Valuation Assumptions**

Our valuation has been made on the assumption that the Company sells the Property on the market without the benefit of deferred terms contracts, leasebacks, joint venture agreements or any similar arrangements which could serve to affect the value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

### **1.4 Valuation Methodology**

For the valuation of the Property, we have adopted the direct comparison method and the income capitalization method.

The direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transferred their legal ownership. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration.

The income capitalization method is based on the capitalization of the net income potential by adopting appropriate capitalization rate, which is derived from analysis of sale transactions and our interpretation of prevailing investor requirements or expectations. The market rents adopted in our valuation have reference to lettings within the Property and comparable premises.

### **1.5 Source of Information**

We have relied to a very considerable extent on the information provided by the Company including the tenancy schedule of the Property dated 2 February 2018. We have also relied upon the information available from the Land Registry and the Buildings Department, and have accepted advice given to us on matters such as statutory notices, planning approvals, easements, tenure and particulars of occupancy. We have assumed that all information provided to us is correct.

We have not been instructed to independently verify the information provided to us. Our valuation is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should it be established subsequently that the details relating to the Property are incorrect or inadequate, we reserve the right to adjust the value reported herein.

We have not carried out on site measurements of the Property at the time of inspection to verify the correctness of the floor areas. The dimensions, measurements and areas included in the report are based on information contained in copies of documents provided to us and are therefore only approximations for reference purposes.

### **1.6 Measurements**

All measurements are carried out in accordance with the “Code of Measuring Practice” booklet published by the HKIS. To suit the local practice, we declare our departure from the “RICS property measurement” published by RICS in May 2015. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the registered floor plans.

### **1.7 Title Investigation**

We have not been provided with copies of the title documents relating to the Property, but we have caused searches to be made at the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments that may not appear on the copies handed to us. All documents and leases have been used for reference only. We have not seen original planning consents and have assumed that the Property has been erected, being occupied and used in accordance with such consents and that there are no outstanding statutory notices.

### **1.8 Property Inspection**

We inspected the exteriors and representative parts of the interior of the Property, where possible, on 13 February 2018 by our Alkan Au (Regional Director, MHKIS, MRICS, RPS (GP) and MCIREA).

In the capacity as an external valuer, we have not conducted formal site and structural surveys and, as such we cannot report that the Property is free from rot, infestation or any other structural defects. We have not carried out building survey, nor have we inspected those parts of the Property which is covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of the parts we had not inspected and this report should not be taken as making any implied representation or statement about such parts. No tests have been carried out to any of the services within the Property.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the Property, or has since been incorporated, and we are therefore unable to report that the Property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

### **1.9 Site Investigation**

We have not carried out site measurements to verify the correctness of the site area of the Property and have assumed that the site area shown on the documents and official site plans handed to us are correct.

We were not instructed to carry out any investigations on site in order to determine the suitability of ground conditions and services, etc. for future redevelopment, nor did we undertake archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory and that where developments are contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these, or to archaeological or ecological matters.

In the course of our valuation, we have assumed that no contamination is affecting the Property or the neighbouring land. However, should it be established subsequently that contamination exists at the Property or on any neighbouring land, or that the Property has been or is being put to any contaminative use, we reserve the right to adjust the value reported herein.

### **1.10 Plant and Machinery**

Our valuation normally includes all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded in our valuation.

**1.11 Report**

Our valuation certificate is attached hereto.

Our valuation has been prepared in accordance with The HKIS Valuation Standards 2017, the relevant provisions in the Company Ordinance and it has complied with Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Yours faithfully

For and on behalf of

**Jones Lang LaSalle Limited**

**Au Kin Keung, Alkan**

BA (Hons), MHKIS, MRICS, RPS (GP), MCIREA

*Regional Director*

Licence No.: E-181955

*Note:*

Mr. Au Kin Keung, Alkan, BA (Hons), MHKIS, MRICS, RPS (GP), MCIREA, is a qualified general practice surveyor and has about 24 years of experience in the valuation of properties in Hong Kong.

## 2.0 VALUATION CERTIFICATE

Property	Description, age and tenure	Particulars of occupancy	Market value as at 31 December 2017
W Square, Nos. 314-324 Hennessy Road, Wan Chai, Hong Kong ("the Property")	The Property comprises a 25-storey (including a basement) commercial building completed in 1978. It has been substantially renovated in 2008.	The Property was fully let to various tenants as at 31 December 2017. Approximately 10% of total marketing gross floor area is occupied by certain subsidiaries of the Company.	HK\$2,125,000,000  (HONG KONG DOLLARS TWO BILLION ONE HUNDRED AND TWENTY FIVE MILLION)
The Remaining Portion and Section D of Marine Lot No.122 ("the Lot")	The basement to the 6th Floor are designated for retail use whereas the upper floors are for office use. The 7/F is designated as the mechanical floor.  The Property has a total marketing gross floor area of approximately 128,658ft <sup>2</sup> (11,952.62m <sup>2</sup> ).  The site area of the Property is approximately 7,652ft <sup>2</sup> (710.89m <sup>2</sup> ).  The Lot is held from the Government under a Government Lease for a term of 999 years less the last 3 days from 26 December 1860. The current government rent payable for the Lot is at an aggregate amount of HK\$96 per annum.  There is no option or any rights of pre-emption concerning or affecting the Property.	The majority of the lease terms are for 3 years with the latest tenancy due to expire on 31 March 2021.  The aggregate monthly passing income as at the Date of Valuation was about HK\$4.8 million, exclusive of government rates, government rent and management fees.	

*Notes:*

- (1) The registered owner of the Property is Winnion Limited 永錠有限公司.
- (2) According to our recent Land Registry search dated 8 February 2018, the following encumbrances and instruments were registered against the Property:
  - No-objection letter dated 21 December 2007 vide Memorial No.08012202030175.
  - Various tenancy agreements.
- (3) The Property is zoned under Draft Wan Chai (HPA 5) Outline Zoning Plan No. S/H5/27 (Amendment to draft Plan No. S/H5/26) exhibited by Town Planning Board dated 3 August 2012 for "Other Specified Uses" purpose.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors and Chief Executive

As at the Latest Practicable Date, the interests and short position of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

#### I. Interests in the Company

Director	Number of Shares/underlying Shares held				Number of underlying Shares held under equity derivatives (Note f)	Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests			
Cheng Wai Chee, Christopher	12,602,816	-	-	462,488,185 (Note b)	1,240,750	476,331,751	35.31%
Cheng Wai Sun, Edward	10,535,481	-	-	462,488,185 (Note b)	1,240,750	474,264,416	35.15%
Cheng Man Piu, Francis	-	-	-	462,488,185 (Note b)	-	462,488,185	34.28%
Chow Wai Wai, John	786,252	-	-	-	229,750	1,016,002	0.08%
Ng Kar Wai, Kenneth	359,250	-	-	-	1,021,750	1,381,000	0.10%
Kwok Ping Luen, Raymond	-	-	-	9,224,566 (Note c)	-	9,224,566	0.68%
Kwok Ho Lai, Edward (Alternate Director to Kwok Ping Luen, Raymond)	-	-	-	9,736,566 (Note d)	-	9,736,566	0.72%
Ng Tak Wai, Frederick	278,391	1,016,000	-	313,666 (Note e)	-	1,608,057	0.12%

*Notes:*

- (a) The total number of issued Shares as at the Latest Practicable Date was 1,349,158,029.
- (b) Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis, being beneficiaries of a family trust, were deemed to be interested in 462,488,185 Shares beneficially owned by Brave Dragon Limited, Wing Tai Retail Pte. Ltd. and Crossbrook Group Limited as set out under the section headed "Substantial Shareholders' Interests" below. The same represented the same interests and was therefore duplicated amongst these three directors for the purpose of Part XV of the SFO.
- (c) Kwok Ping Luen, Raymond was deemed to be interested in 9,224,566 Shares by virtue of being a beneficiary of a trust for the purpose of Part XV of the SFO. As this trust is one of the discretionary trusts, referred to in Note (d) below, these 9,224,566 Shares represented the same interests and were therefore duplicated between Kwok Ping Luen, Raymond and Kwok Ho Lai, Edward for the purpose of Part XV of the SFO.
- (d) Kwok Ho Lai, Edward was deemed to be interested in 9,736,566 Shares by virtue of being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.
- (e) 313,666 Shares were held by Ng Tak Wai, Frederick jointly with his spouse.
- (f) These interests represented the interests in underlying shares in respect of the share options and incentive shares granted by the Company to these directors as beneficial owners. Details of which are set out in the sections below headed "Share Option Plan" and "Share Incentive Scheme".

*II. Share Option Plan*

Details of the share options granted to certain Directors and outstanding as at the Latest Practicable Date are as follows:

Directors	Date of grant	Number of share options	Exercise price per share option (HK\$)	Exercise period
Cheng Wai Chee, Christopher	18.3.2016	494,500	4.48	25.1.2019 to 17.3.2026
	13.1.2017	248,750	4.75	13.1.2019 to 13.1.2027
	13.1.2017	497,500	4.75	13.1.2020 to 13.1.2027
Cheng Wai Sun, Edward	18.3.2016	494,500	4.48	25.1.2019 to 17.3.2026
	13.1.2017	248,750	4.75	13.1.2019 to 13.1.2027
	13.1.2017	497,500	4.75	13.1.2020 to 13.1.2027
Chow Wai Wai, John	18.3.2016	92,500	4.48	25.1.2019 to 17.3.2026
	13.1.2017	45,750	4.75	13.1.2019 to 13.1.2027
	13.1.2017	91,500	4.75	13.1.2020 to 13.1.2027
Ng Kar Wai, Kenneth	18.3.2016	28,000	4.48	25.1.2019 to 17.3.2026
	13.1.2017	13,250	4.75	13.1.2019 to 13.1.2027
	13.1.2017	26,500	4.75	13.1.2020 to 13.1.2027



*Notes:*

- (a) The shareholders of the Company adopted the share option plan on 27 October 2015 to grant options to selected employees (including Directors) to subscribe for the Shares.
- (b) The Company will provide subscription money to the share option holders in the event that they exercise their share options when the closing market price of the Shares on the exercise day is equal to or higher than the exercise price of share options concerned.

*III. Share Incentive Scheme*

Details of the incentive shares awarded to a Director under the share incentive scheme of the Company and outstanding as at the Latest Practicable Date are as follows:

<b>Director</b>	<b>Date of award</b>	<b>Number of incentive shares</b>	<b>Vesting date</b>	<b>Exercisable period</b>
Ng Kar Wai, Kenneth	15.6.2015	212,000	21.1.2019	21.1.2019 to 15.6.2025
	15.6.2015	106,000	21.1.2019	21.1.2019 to 15.6.2025
	15.6.2015	212,000	21.1.2020	21.1.2020 to 15.6.2025
	15.6.2015	106,000	21.1.2019	21.1.2019 to 15.6.2025
	15.6.2015	106,000	21.1.2020	21.1.2020 to 15.6.2025
	15.6.2015	212,000	21.1.2021	21.1.2021 to 15.6.2025

*Notes:*

- (a) Awards of the incentive shares are rights given to selected employees (including Directors) to subscribe in cash for Shares under the share incentive scheme approved by shareholders of the Company on 17 June 2005. The share incentive scheme expired on 16 June 2015, no further incentive shares can be granted but the provisions of the share incentive scheme remain in full force and effect in all other respects in relation to the incentive shares granted. All outstanding incentive shares granted which are yet to be vested or exercised shall remain valid.
- (b) Subscription price per Share is the par value of one Share. Funds for subscription of Shares will be provided by the Company when the right to subscribe for Shares is exercised.

All of the interests in shares disclosed above under this section represent long positions in the shares and underlying shares of the Company or its associated corporations (within the meaning of the SFO). Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the SFO) which has been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO or have been recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which has been notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Substantial Shareholders' Interests**

As at the Latest Practicable Date, the following persons (other than the Directors and the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to section 336 of the SFO:

*Long Positions in the shares of the Company*

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share held <i>(Note a)</i>
1. Brave Dragon Limited	Beneficial owner	141,794,482	10.51%
2. Crossbrook Group Limited	Beneficial owner	270,411,036	20.04%
3. Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 <i>(Notes b(i) &amp; c)</i>	34.28%
4. Deutsche Bank International Trust Co. Limited	Trustee	462,488,185 <i>(Notes b(ii) &amp; d)</i>	34.28%
5. Deutsche Bank International Trust Co. (Cayman) Limited	Trustee	462,488,185 <i>(Notes b(ii) &amp; d)</i>	34.28%
6. Wing Tai Corporation Limited	Interest of controlled corporation	182,560,826 <i>(Note e)</i>	13.53%
7. Renowned Development Limited	Interest of controlled corporation	182,560,826 <i>(Notes b(iii) &amp; e)</i>	13.53%
8. Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	199,884,783 <i>(Notes b(iii) &amp; f)</i>	14.82%
9. Sun Hung Kai Properties Limited	Interest of controlled corporation	183,612,533 <i>(Note g)</i>	13.61%

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share held (Note a)
10. Gala Land Investment Company Limited	Beneficial Owner	101,579,467	7.53%
11. Farnham Group Limited	Interest of controlled corporation	101,579,467 (Notes b(iv) & h)	7.53%
12. Chow Chung Kai	Beneficial owner, interest of spouse, controlled corporation and other	180,024,824 (Notes b(iv) & i)	13.34%
13. Chow Yu Yue Chen	Beneficial owner, interest of spouse and controlled corporation	150,812,777 (Notes b(iv) & j)	11.18%

## Notes:

- (a) The total number of issued Shares as at the Latest Practicable Date was 1,349,158,029.
- (b) The interests disclosed duplicated in the following manners and to the following extent:
- (i) the interests of parties 1 and 2 were included in the interests of party 3.
  - (ii) the interests of party 3 duplicated with the interests of parties 4 and 5 entirely.
  - (iii) the interests of party 6 duplicated with the interests of party 7 entirely and were included in the interests of party 8.
  - (iv) the interests of party 10 duplicated with the interests of party 11 entirely and were included in the interests of parties 12 and 13.
- (c) Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued shares capital of Wing Tai Retail Pte. Ltd. Wing Tai Retail Pte. Ltd. owned 50,282,667 Shares.
- Cheng Wai Chee, Christopher is a director of Brave Dragon Limited.
- (d) Deutsche Bank International Trust Co. Limited was the trustee of a family trust (of which Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis were beneficiaries) which held all units of a unit trust ("Unit Trust").

Deutsche Bank International Trust Co. (Cayman) Limited was the trustee of the Unit Trust and was deemed to be interested in 462,488,185 Shares. (Such deemed interest arose by virtue of the fact that Deutsche Bank International Trust Co. (Cayman) Limited was interested indirectly through subsidiaries in more than one-third of the issued share capital of Wing Tai Holdings Limited which held 462,488,185 Shares.)

- (e) Wing Tai Corporation Limited beneficially owned 100% of the issued share capital of Bestime Resources Limited ("Bestime") and Pofung Investments Limited ("Pofung") and, therefore, by virtue of its corporate interest in Bestime and Pofung, Wing Tai Corporation Limited was deemed to be interested in 93,629,998 Shares and 88,930,828 Shares held by Bestime and Pofung respectively.

By virtue of the corporate interest of Renowned Development Limited in Wing Tai Corporation Limited, the former was deemed to be interested in the latter's interest in the Shares.

Cheng Wai Chee, Christopher and Cheng Man Piu, Francis are directors of Wing Tai Corporation Limited and Renowned Development Limited.

- (f) By virtue of the corporate interest of Wing Tai (Cheng) Holdings Limited in Renowned Development Limited and Broxbourne Assets Limited, Wing Tai (Cheng) Holdings Limited was deemed to be interested in the interest of Renowned Development Limited and Broxbourne Assets Limited in the Shares. Broxbourne Assets Limited beneficially owned 17,323,957 Shares.

Cheng Wai Chee, Christopher and Cheng Man Piu, Francis are directors of Wing Tai (Cheng) Holdings Limited.

- (g) Sun Hung Kai Properties Limited ("SHKP") beneficially owned 100% of the issued share capital of Wesmore Limited ("Wesmore"), Fourseas Investments Limited ("Fourseas"), Mondale Holdings Limited ("Mondale"), Victory Zone Holdings Limited ("Victory Zone") and Country World Limited ("Country World"). Wesmore was the beneficial owner of 111,928,210 Shares.

Fourseas beneficially owned 100% of the issued share capital of Soundworld Limited ("Soundworld"), Units Key Limited ("Units Key") and Triple Surge Limited ("Triple Surge"). Soundworld, Units Key and Triple Surge were the beneficial owners of 20,869,323, 5,673,333 and 37,680,000 Shares respectively.

Mondale beneficially owned 100% of the issued share capital of Junwall Holdings Ltd. ("Junwall"), which in turn beneficially owned 100% of the issued share capital of Techglory Ltd. ("Techglory"). Techglory was the beneficial owner of 192,000 Shares.

Victory Zone beneficially owned 100% of the issued share capital of Charmview International Ltd. ("Charmview"). Charmview was the beneficial owner of 7,141,600 Shares.

Country World beneficially owned 100% of the issued share capital of Erax Strong Development Ltd. ("Erax Strong"). Erax Strong was the beneficial owner of 128,067 Shares.

By virtue of the corporate interest of SHKP in the aforesaid companies, SHKP was deemed to be interested in the interests of Wesmore, Soundworld, Units Key, Triple Surge, Techglory, Charmview and Erax Strong in the Shares.

Kwok Ping Luen, Raymond is the Chairman and Managing Director of SHKP, Kwok Ho Lai, Edward is his alternate director of SHKP, and Hong Pak Cheung, William is a manager of SHKP.

- (h) Farnham Group Limited ("Farnham") beneficially owned 100% of the issued share capital of Gala Land Investment Company Limited ("Gala Land"), therefore, Farnham was deemed to be interested in 101,579,467 Shares held by Gala Land by virtue of its corporate interest therein.

- (i) Chow Chung Kai and his wife, Chow Yu Yue Chen, held 48,532,744 and 700,566 Shares respectively.

The estate of the late Chou Wen Hsien, of which Chow Chung Kai was the executor, was interested in 29,212,047 Shares.

Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Chow Chung Kai was deemed to be interested in 101,579,467 Shares held by Gala Land by virtue of his corporate interest therein.

The estate of the late Chou Wen Hsien, of which Chow Chung Kai was the executor, was interested in 50% of the issued share capital of Farnham.

(j) Chow Yu Yue Chen and her husband, Chow Chung Kai, held 700,566 and 48,532,744 Shares respectively.

Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Chow Yu Yue Chen was deemed to be interested in 101,579,467 Shares held by Gala Land by virtue of Chow Chung Kai's corporate interest therein.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any person (other than any Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered into the register required to be kept under Section 336 of the SFO.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the date of this circular, none of the Directors had entered into any service contract with any member of the Group (excluding contracts expiring or determinable by that member of the Group within one year without payment of compensation (other than statutory compensation)).

### **4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

The interests of the Directors and their respective close associates in competing businesses required to be disclosed (as if each of them were required to be disclosed) pursuant to Rule 8.10 of the Listing Rules are as follows:

Kwok Ping Luen, Raymond is a director of SHKP and Kwok Ho Lai, Edward is the alternate director to Kwok Ping Luen, Raymond of SHKP. Businesses of SHKP consist of property developments and investments, and hotel operation. Also, Kwok Ping Luen, Raymond and Kwok Ho Lai, Edward are beneficiaries of certain discretionary trusts which maintain certain interests in businesses consisting of property developments and investments, and hotel operation. Only in these respects are they regarded as interested in the relevant competing business with the Group.

Kwok Ping Luen, Raymond is a director of Transport International Holdings Limited ("TIH"). Businesses of TIH consist of property holdings and development. Only in these respects is he regarded as interested in the relevant competing business with the Group.

Other than certain interests in businesses maintained by the discretionary trusts, the aforesaid competing businesses, in which Kwok Ping Luen, Raymond and Kwok Ho Lai, Edward are regarded as interested, are managed by separate public listed companies with independent management and administration. In this respect, coupled with the diligence of the Company's independent non-executive Directors and the Audit Committee, the Group is capable of carrying on its business independently of, and at arm's length from the said competing businesses.

## 5. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

On 23 April 2008, a contract entered into between the Company, Wing Tai Malaysia Sdn. Bhd (formerly Wing Tai Malaysia Berhad) ("WTMSB") and Kualiti Gold Sdn Bhd (the "JV Company") relating to the formation of the JV Company for the purpose of acquiring a building in Kuala Lumpur (the "Development"), fitting out and operating the Development as serviced apartments. Each of Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis has an indirect interest in the share capital of WTMSB and the JV Company. WTMSB is a subsidiary of Wing Tai Holdings Limited, the controlling shareholder of the Company (as defined in the Listing Rules). Save as disclosed in this circular, the Directors confirm that there is no contract or arrangement subsisting at the date of this circular in which any of them is materially interested and which is significant in relation to the business of the Group.

None of the Directors have any interest, direct or indirect, in any assets which have been, since 31 December 2016 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 6. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the expert who have been named in this circular and whose advice or opinion is contained in this circular:

Name	Qualification
Jones Lang LaSalle Limited	Independent property valuer

As at the Latest Practicable Date, Jones Lang LaSalle Limited:

- (a) did not have any shareholding, direct or indirect, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) did not have any interest, direct or indirect, in any asset which had been, since 31 December 2016 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Jones Lang LaSalle Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its report and references to its name, in the form and context in which it appears.

**7. MATERIAL CONTRACTS**

The following contracts (not being a contract entered into in the ordinary course of business of the Group) were entered into by members of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date and are or may be material:

- (a) the sale and purchase agreement dated 18 July 2016 entered into between Wing Tai Properties (China) (No.2) Limited and Keen Achieve Limited as the vendors and Natural Apex Limited as the purchaser in relation to, among other things, the sale of the entire interest in Property Sky Limited at an aggregate consideration of approximately HK\$916 million;
- (b) the provisional sale and purchase agreement dated 1 December 2017, and the sale and purchase agreement dated 18 December 2017, both entered into between Zofka Properties Limited and Baudinet Investment Limited as the vendors and Sunny Global Development Limited as the purchaser in relation to, among other things, the sale of the entire interest in property known as “Winner Godown Building” at a consideration of approximately HK\$2,163 million; and
- (c) the Agreement.

**8. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection from the date of this circular at the head office of the Company at 27th Floor, AIA Kowloon Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong during normal business hours on any business day up to and including 9 March 2018 (being not less than 14 days from the date of this circular):

- (a) the constitutional documents of the Company;
- (b) the annual reports of the Company for the financial years ended 31 December 2015 and 2016;
- (c) the interim report of the Company for the six months ended 30 June 2017;

- (d) the material contracts referred to the paragraph headed “Material contracts” in this Appendix;
- (e) the property valuation report issued by Jones Lang LaSalle Limited in relation to valuation of the Property as at 31 December 2017, as set out in Appendix II to this circular;
- (f) the written consent from Jones Lang LaSalle Limited referred to in the paragraph headed “Qualification and consent of expert” in this Appendix;
- (g) the circular of the Company dated 24 January 2018 issued pursuant to Chapter 14 of the Listing Rules in relation to a major transaction with respect to the disposal of a property known as “Winner Godown Building”; and
- (h) this circular.

**10. MISCELLANEOUS**

- (a) The company secretary of the Company is Chung Siu Wah, Henry. He is a Barrister, a Certified Accountant and a Chartered Secretary.
- (b) The registered office of the Company is situated at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda and the head office and principal place of business of the Company is 27th Floor, AIA Kowloon Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.