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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 FORMATION OF JOINT VENTURE WITH MANHATTAN GARMENTS HOLDINGS LIMITED

The Directors are pleased to announce that on 22 November 2018, the Company, Manhattan, the Wing Tai Subsidiary (a wholly-owned subsidiary of the Company), the Manhattan Subsidiary (a wholly-owned subsidiary of Manhattan) and the Joint Venture Company entered into the Agreement, pursuant to which the parties agreed to form a joint venture for the acquisition of 100% equity interest in the Jersey SPV. The Singapore SPV is a wholly-owned subsidiary of the Jersey SPV and directly holds the leasehold interests in the Property. The Joint Venture Company is owned as to 50% by each of the Wing Tai Subsidiary and the Manhattan Subsidiary respectively.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 25% and all applicable percentage ratios are less than 100%, the Transaction constitutes a major transaction of the Company and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 the Listing Rules.

As no Shareholder has any material interest in the Transaction and no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Transaction, the Company has obtained written approval from the Major Shareholders in lieu of holding a general meeting of the Company to approve the Transaction pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other matters, further details of the Transaction is expected to be despatched to the Shareholders on or before 14 December 2018.

Formation of Joint Venture

The Directors are pleased to announce that on 22 November 2018, the Company, Manhattan, the Wing Tai Subsidiary (a wholly-owned subsidiary of the Company), the Manhattan Subsidiary (a wholly-owned subsidiary of Manhattan) and the Joint Venture Company entered into the Agreement, pursuant to which the parties agreed to form a joint venture for the acquisition (the "**Acquisition**") of 100% equity interest in the Jersey SPV. The Singapore SPV is a wholly-owned subsidiary of the Jersey SPV and directly holds the leasehold interests in the Property. The Joint Venture Company is owned as to 50% by each of the Wing Tai Subsidiary and the Manhattan Subsidiary respectively.

The Agreement

Date

22 November 2018

Parties

- (a) The Company
- (b) Manhattan
- (c) The Wing Tai Subsidiary
- (d) The Manhattan Subsidiary
- (e) The Joint Venture Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Manhattan, the Manhattan Subsidiary, and their ultimate beneficial owners are third parties independent of the Group and are not connected persons of the Company.

The Joint Venture Company

The Wing Tai Subsidiary and the Manhattan Subsidiary each holds 50% of the equity interest in the Joint Venture Company. The Joint Venture Company will act as the acquisition vehicle for the Acquisition.

Capital contribution to the Joint Venture

Pursuant to the Agreement, the Wing Tai Subsidiary and the Manhattan Subsidiary shall be responsible for the funding requirements of the Joint Venture Company for, among others, the Acquisition, the operation of the Property and external financing costs, in each case in equal proportion.

Each of the Wing Tai Subsidiary and the Manhattan Subsidiary has committed to contribute £230 million (equivalent to approximately HK\$2,316.1 million) to the Joint Venture Company. The amount of capital contribution was determined after arm's length negotiation between the parties to the Agreement with reference to, among others, the consideration for the Acquisition, the anticipated operational expenses of the Property, the estimated transaction costs relating to the Acquisition and external financing costs. Capital contribution payable by the Wing Tai Subsidiary will be funded by the Group's internal resources and/or borrowing.

Guarantees

Pursuant to the Agreement, the obligations of the Wing Tai Subsidiary are guaranteed by Wing Tai and the obligations of the Manhattan Subsidiary are guaranteed by Manhattan.

The Property

The Property is a landmark building situated in the heart of London which provides a total of 403,639 square feet of prime office, retail and ancillary accommodation arranged over two basement levels, lower ground, ground and eight upper floors. There are 48 car parking spaces located on the two basement levels.

Reasons and benefits of the Transaction

One of the principal activities of the Group is property investment. The Directors believe that the Acquisition by the formation of the Joint Venture Company provides an opportunity for the Group to expand and diversify its property investment portfolio and generate a steady flow of rental income to the Group.

The Directors consider that the terms of the Transaction are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Information on the Company and the Wing Tai Subsidiary

The Company is an investment holding company. The principal subsidiaries of the Company are engaged in property development, property investment and management and hospitality investment and management. The Wing Tai Subsidiary, a wholly-owned subsidiary of the Company, is principally engaged in investment holding.

Information on Manhattan and the Manhattan Subsidiary

The Manhattan Subsidiary is an indirect wholly-owned subsidiary of Manhattan. The principal activity of Manhattan and Manhattan Subsidiary is investment holding. Manhattan is a privately held holding company founded in Hong Kong in 1958, its principal businesses are real estate investment holding and property development, dedicated to developing and leasing prestigious residential and commercial properties.

Listing Rules Implication

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 25% and all applicable percentage ratios are less than 100%, the Transaction constitutes a major transaction of the Company and is therefore subject to the notification, 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 Transaction; and (2) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Transaction. The Company has obtained written approval from the Major Shareholders (who are 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) in accordance with Rule 14.44 of the Listing Rules in lieu of a general meeting to approve the Transaction.

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

Name of the Major Shareholder	Number of shares directly held	Percentage of shareholding
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%
Total	685,511,265	50.81%

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 matters, further details of the Transaction is expected to be despatched to the Shareholders on or before 14 December 2018.

Definitions

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Agreement”	the shareholders agreement dated 22 November 2018 entered into between the Company, Manhattan, the Wing Tai Subsidiary, the Manhattan Subsidiary and the Joint Venture Company in relation to the formation and the management of the Joint Venture Company;
“Company”	Wing Tai Properties Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Jersey SPV”	30 Gresham Street (Jersey) Limited, a company incorporated in Jersey;
“Joint Venture Company”	Kingswood Edge Limited, a company incorporated in the British Virgin Islands;
“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;
“Manhattan”	Manhattan Garments Holdings Limited, a company incorporated in the Cayman Islands;
“Manhattan Subsidiary”	Blisspeak Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of Manhattan;
“Property”	the property situated at 30 Gresham Street, London EC2V 7PG;
“Shareholders”	the shareholder(s) of the Company;
“Singapore SPV”	30 Gresham Street (Singapore) Private Limited, a company incorporated in the Republic of Singapore and a wholly-owned subsidiary of the Jersey SPV;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the entering into of the Agreement;
“Wing Tai Subsidiary”	Speedwell Global Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company;
“£”	British pounds, the lawful currency of the United Kingdom; and
“%”	per cent.

For the purpose of this announcement and for illustration purpose only, conversion of British pounds to Hong Kong dollars is based on the exchange rate of £1 = HK\$10.07. No representation is made that any amount in Hong Kong dollars have been or could be converted at the above rate or at any other rates.

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

Hong Kong, 23 November 2018

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

Executive Directors:

Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John and Ng Kar Wai, Kenneth

Non-executive Directors:

Kwok Ping Luen, Raymond (Kwok Ho Lai, Edward as his alternate), Hong Pak Cheung, William, Ng Tak Wai, Frederick and Chen Chou Mei Mei, Vivien

Independent Non-executive Directors:

Simon Murray, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma, Cheng Hoi Chuen, Vincent and Lam Kin Fung, Jeffrey