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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 40% INTEREST IN A JOINT VENTURE COMPANY

On 16 September 2010, Wing Tai BVI, as the Seller, entered into the Share Sale Agreement with, amongst others, Hongkong Land BVI, as the Purchaser, pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase the Seller's entire interest in Jumbo Broad for an aggregate consideration of US\$79,479,000 (approximately HK\$619,936,000). The Purchaser further agreed to pay to the Seller (i) any interest paid under the Local Partner Loans up to US\$6,181,000 (approximately HK\$48,212,000); and (ii) a cash payment(s) not exceeding RMB450,000,000 (approximately HK\$517,500,000) in the event that the Purchaser's return exceeds an agreed rate of return. Details of the consideration and these arrangements are further described below. The total consideration receivable by the Company under the Share Sale Agreement is up to approximately HK\$1,185,648,000. However, Shareholders and potential investors are advised that there is no certainty that there will be any interest paid under the Local Partner Loans or any amounts distributed to the Seller under the profit sharing arrangement.

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 22 October 2010.

In addition, the Seller has agreed that the Seller will compensate the Purchaser in accordance with the Share Sale Agreement if the Joint Venture Group ceases in certain circumstances during a limited period to be entitled to its rights or ownership interests in respect of any parcel of land within the Project Sites or the Joint Venture Group is the subject of a penalty over such land.

INTRODUCTION

As described in the announcements of the Company dated 10 June 2008 and 23 December 2008, Wing Tai BVI established the Joint Venture Group with Hongkong Land BVI for the purposes of pursuing real estate opportunities in the PRC or any other territories to be agreed by the parties.

On 16 September 2010, Wing Tai BVI, as the Seller, entered into the Share Sale Agreement with, amongst others, Hongkong Land BVI, as the Purchaser, pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase the Seller's entire interest in Jumbo Broad, for an aggregate consideration of US\$79,479,000 (approximately HK\$619,936,000). The Purchaser further agreed to pay to the Seller (i) any interest paid under the Local Partner Loans up to US\$6,181,000 (approximately HK\$48,212,000); and (ii) a cash payment(s) not exceeding RMB450,000,000 (approximately HK\$517,500,000) in the event that the Purchaser's return exceeds an agreed rate of return. The total consideration receivable by the Company under the Share Sale Agreement is up to approximately HK\$1,185,648,000. Details of the consideration and these arrangements are further described below.

SHARE SALE AGREEMENT

Date

16 September 2010

Parties

Seller: Wing Tai Properties (China)(No.1) Limited
Seller's Guarantor: the Company
Purchaser: King Noble International Limited
Purchaser's Guarantor: Hongkong Land China Holdings Limited
The target company: Jumbo Broad

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

Assets to be disposed

Jumbo Broad is owned as to 40% by the Seller and the remaining 60% by the Purchaser.

The Sale Shares, being 40 shares of US\$1.00 each in the capital of Jumbo Broad, representing 40% of the issued shares of Jumbo Broad. Upon Closing, the Company ceased to have any interest in Jumbo Broad.

Pursuant to the Share Sale 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 Jumbo Broad to the Seller as at the Closing, to the Purchaser.

Consideration

The aggregate consideration for the Seller's entire interest in Jumbo Broad is US\$79,479,000 (approximately HK\$619,936,000) payable in cash.

The parties to the Share Sale Agreement have agreed that, if the Joint Venture Group ceases in certain circumstances to be entitled to its rights or any ownership interests in any particular piece(s) of land within the Project Sites or the Joint Venture Group is the subject of a penalty over such land, the Seller will repay to the Purchaser an agreed portion of the deemed value of such land or the actual penalty incurred. Such portion is calculated on the basis of the Seller's 40% interest in Jumbo Broad and shall not exceed, in aggregate, the consideration amount. The Seller's obligations in this regard will expire 9 months from the Closing Date or, if during that 9 month period a notification is made by the relevant PRC authority of an intention to forfeit or revoke the Joint Venture Group's rights or ownership interests in relation to such land, within 9 months of such notification.

The Seller is entitled to receive from the Purchaser any interest paid under the Local Partner Loans up to US\$6,181,000 (approximately HK\$48,212,000). Such amount may be reduced in the event that the Purchaser's Group agrees to reduce the principal and/or interest payable by the borrower under any Local Partner Loans.

The Seller is further entitled to receive a cash payment(s) in the event that the Purchaser achieves an internal rate of return which exceeds an agreed rate of return. The total amount of such payments made to the Seller under this profit sharing arrangement shall not exceed RMB450,000,000 (approximately HK\$517,500,000).

The total consideration receivable by the Company under the Share Sale Agreement is up to approximately HK\$1,185,648,000. However, Shareholders and potential investors are advised that there is no certainty that there will be any interest paid under the Local Partner Loans or any amounts distributed to the Seller under the profit sharing arrangement.

The consideration, interest receivable and arrangements described above were determined after arm's length negotiation between the Seller and the Purchaser with reference to, among other things, (i) the face value of the Seller's Shareholder's Loan and (ii) the carrying value of the Joint Venture Group.

Conditions Precedent and Closing

There are no conditions to the Closing of the Share Sale Agreement and Closing took place immediately following signing of the Share Sale Agreement.

Termination of the Shareholders' Agreement

The parties to the Share Sale Agreement have agreed that the Shareholders' Agreement shall be terminated at Closing and, save for the rights and obligations established or preserved by the Share Sale Agreement, all claims and liabilities which the parties may have or at any time might otherwise have or have had against or in respect of each other in connection with, amongst others, the Shareholders' Agreement, are released and forever discharged as set out in the Share Sale Agreement.

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 Share Sale Agreement.

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

INFORMATION OF JUMBO BROAD

Jumbo Broad, through its subsidiaries, is interested in land with a total site area of approximately 1,275,764 square meters in the Shenbei District and the Hunnan District in Shenyang for development of high quality residences.

Set out below is certain audited financial information of Jumbo Broad for the period ended 31 December 2008 and year ended 31 December 2009:

	For the year ended 31 December 2009	For the period from 10 August 2007 to 31 December 2008
	HK\$'000	HK\$'000
Profit/(Loss) before taxation	33,949	(6,001)
Profit after taxation	36,931	218

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.

INFORMATION ABOUT HONGKONG LAND CHINA

The Hongkong Land China Group owns some five million square feet of prime office and retail space in the heart of Hong Kong's Central business district and is involved in various development activities in Hong Kong, Macau and mainland China.

Hongkong Land China is a wholly-owned subsidiary of Hongkong Land Holdings Limited, one of Asia's leading property investment, management and development groups.

REASONS FOR THE DISPOSAL

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

Upon Closing, the Disposal is expected to realise an estimated gain of approximately HK\$37,445,000 for the Group, which is expected to be accounted for in the consolidated financial statements of the Company for the financial year ending 31 December 2010. The estimated gain is derived from the consideration of US\$79,479,000 (approximately HK\$619,936,000) less the total of: (i) the carrying value of the Joint Venture Group of HK\$559,119,000; (ii) estimated expenses; and (iii) taxes relating to the Disposal and subject to audit. The proceeds from the Disposal will be retained as general working capital of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Share Sale 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 the right to attend and vote at its 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	10.72%
Wing Tai Retail Pte. Ltd. ("Wing Tai Retail")	50,282,667	3.80%
Crossbrook Group Limited ("Crossbrook")	270,411,036	20.44%
Bestime Resources Limited	91,663,995	6.93%
Pofung Investments Limited	88,930,828	6.72%
Broxbourne Assets Limited	17,323,957	1.31%
Mr. Cheng Wai Chee, Christopher ("Mr. Christopher Cheng")	5,240,829	0.40%
Mr. Cheng Wai Sun, Edward ("Mr. Edward Cheng")	5,139,497	0.39%
Total	670,787,291	50.71%

Mr. Christopher Cheng is taken to be interested in more than one-third of the issued share capital of Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited for the purpose of section 316 of the Securities and Futures Ordinance (Cap. 571). He is also a beneficiary of a 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. Edward Cheng, Cheng Man Piu, Francis and certain other members of Mr. Christopher Cheng's family, are the other beneficiaries of this trust.)

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 22 October 2010 as more than 15 business days is required to finalise the property valuation report to be included in the circular as required by Rule 14.66 (11) of the Listing Rules.

DEFINITIONS

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

"Closing"	the completion of the sale of the Sale Shares pursuant to the Share Sale Agreement
"Closing Date"	16 September 2010
"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 Share Sale Agreement
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hongkong Land China"	Hongkong Land China Holdings Limited, a company incorporated in Bermuda with limited liability
"Hongkong Land China Group"	Hongkong Land China and its subsidiaries
"Joint Venture Group"	Jumbo Broad and its subsidiaries
"Jumbo Broad"	Jumbo Broad Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 40% by the Seller and the remaining 60% by the Purchaser
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Local Partner Loans"	the aggregate total outstanding principal and accrued interest on the loans as at Closing lent by the Joint Venture Group to a local PRC partner in connection with the development of the Project Sites as set out in the Share Sale Agreement, being US\$103,486,000 (approximately HK\$807,191,000)
"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
"PRC"	the People's Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
"Project Companies"	Shenyang Yarun Property Development Company Limited (沈阳雅苑房地产开发有限公司), Shenyang Hui Land Gaoqi Property Development Company Limited (沈阳汇置高棋房地产开发有限公司) and Shenyang Suigang Baiyun Property Investment and Development Company Limited (沈阳穗港白云房地产投资开发有限公司) and any other Joint Venture Group companies which acquires sites for the purpose of development

"Project Sites"	the sites which have been acquired for the purposes of development by the Project Companies and any sites that are acquired by the Project Companies for the purposes of development from time to time
"Purchaser" or "Hongkong Land BVI"	King Noble International Limited, a company limited by shares incorporated in the British Virgin Islands and a wholly-owned subsidiary of Hongkong Land China
"Purchaser's Group"	Hongkong Land China, its holding companies (but excluding any holding companies of Hongkong Land Holdings Limited or their respective holding companies), subsidiaries and subsidiary undertakings and subsidiaries and subsidiary undertakings of such holding companies from time to time
"Purchaser's Guarantor"	Hongkong Land China
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	40 shares of US\$1.00 each in the capital of Jumbo Broad, representing 40% issued shares of Jumbo Broad as at the date of the Share Sale Agreement
"Seller" or "Wing Tai BVI"	Wing Tai Properties (China)(No.1) Limited (formerly USI Investment (China)(No.1) 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 Jumbo Broad to the Seller in the total amount of approximately US\$68,588,000 (approximately HK\$534,986,000) as at the Closing
"Shareholders"	the shareholders of the Company
"Shareholders' Agreement"	the shareholders' agreement dated 8 October 2007 entered into between Hongkong Land BVI, Hongkong Land China, Wing Tai BVI and the Company
"Share Sale Agreement"	the share sale agreement dated 16 September 2010 entered into between, amongst others, the Seller and the Purchaser relating to the sale and purchase of the Sale Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US\$"	United States dollars, the lawful currency of United States of America

The exchange rate used for this announcement is US\$1.00 to HK\$7.80 and RMB1.00 to HK\$1.15.

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

Hong Kong, 16 September 2010

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, Ng Tak Wai, Frederick 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 and Loh Soo Eng

Independent Non-Executive Directors: Simon Murray, Fang Hung, Kenneth and Yeung Kit Shing, Jackson