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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)

CONTINUING CONNECTED TRANSACTIONS: LEASING OF PROPERTY TO WING TAI CORPORATION LIMITED

Reference is made to the announcement of the Company dated 20 April 2011 in relation to, amongst other things, the leasing of 15th Floor, AXA Tower, Landmark East (formerly known as 15th Floor, One Landmark East), 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong for a fixed term of three years by Begin Land, the Company's indirect subsidiary, to WTC.

The Directors announce that on 15 May 2014 Begin Land accepted the Offer from WTC in relation to the continuation of the leasing of the Premises for a fixed term of three years after the expiry of the term of the existing lease on 15 May 2014.

WTC is a substantial shareholder of the Company and hence a Connected Person of the Company under the Listing Rules. Accordingly, the acceptance of the Offer constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The Revenue Ratio for the Annual Caps exceeds 0.1% whereas the applicable Percentage Ratios for the Annual Caps are less than 5%. The acceptance of the Offer and the Annual Caps are therefore subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the requirement to obtain independent shareholders' approval.

Background

Reference is made to the announcement of the Company dated 20 April 2011 in relation to, amongst other things, the leasing of 15th Floor, AXA Tower, Landmark East (formerly known as 15th Floor, One Landmark East), 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong for a fixed term of three years by Begin Land, the Company's indirect subsidiary, to WTC.

Acceptance of the Offer

The Directors announce that on 15 May 2014 Begin Land accepted the Offer from WTC. Particulars of the Offer are set out below:-

Date:	15 May 2014
Landlord:	Begin Land
Tenant:	WTC
Premises:	Suites 1502-5, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong

Term:	Fixed term of three years commencing from 16 May 2014 and ending on 15 May 2017 (both days inclusive)
Rental, management fee and other charges:	Approximately HK\$5,500,000 per annum, which includes rental (exclusive of government rates and all other tenant's outgoings), management fee, air-conditioning charge and chilled water charge.
Rent Free Period	Three weeks. During the rent free period, WTC shall be required to pay management fee, air-conditioning charge, government rates and other outgoings.
Security Deposit	Three months' rental, management fee and air-conditioning charge together with government rates in cash.

Licence for Use of Car Parking Spaces

WTC is currently licensing 4 car parking spaces at Landmark East for use by its staff. WTC indicates that it will continue to license these car parking spaces.

Annual Caps

The maximum consideration payable by WTC pursuant to the terms of the Offer and for using 4 car parking spaces at Landmark East during the four years ending 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017 will not exceed the Annual Caps of HK\$3,500,000, HK\$5,500,000, HK\$5,500,000 and HK\$2,100,000 respectively.

The Annual Caps were determined with reference to, among other things, (i) the rental rate stated in the Offer; (ii) the rate of management fee and air-conditioning charge as stated in the Offer which are subject to change from time to time; (iii) projected increase in the management fee and air-conditioning charge; (iv) the chilled water charge; (v) projected additional air-conditioning charge due to additional usage of air-conditioning and (vi) projected licence fees for car parking spaces.

Reasons for and benefits of the Offer

AXA Tower (formerly known as One Landmark East), Landmark East is held by Begin Land as an investment property for rental income, therefore the acceptance of the Offer helps maintain stable rental income from a quality tenant paying rent at market rates for the Premises. The terms of the Offer have been negotiated on an arm's length basis between Begin Land and WTC and are on normal commercial terms. The rental of the Premises has been arrived at by reference to the prevailing market rate of similar leases in the same building.

The Directors (including the independent non-executive directors) consider that the Offer is accepted in the ordinary and usual course of the business of Begin Land and the terms of which are on normal commercial terms. The terms of the Offer and the Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Each of Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis has a material interest in the Offer and Cheng Wai Chee, Christopher and Cheng Man Piu, Francis are also directors of WTC. They have abstained from voting on the board resolution approving the transactions concerned.

Requirements of the Listing Rules

WTC is a substantial shareholder of the Company and hence a Connected Person of the Company under the Listing Rules. Accordingly, the acceptance of the Offer constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The Revenue Ratio for the Annual Caps exceeds 0.1% whereas the applicable Percentage Ratios for the Annual Caps are less than 5%. The acceptance of the Offer and the Annual Caps are therefore subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the requirement to obtain independent shareholders' approval.

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 and hospitality investment and management.

Information about Begin Land and WTC

Begin Land is an indirect wholly-owned subsidiary of the Company and is holding AXA Tower, Landmark East (including the Premises) as investment properties for rental income.

WTC is a substantial shareholder of the Company. The principal business activities of WTC and its subsidiaries are investment holding, garment manufacturing and trading.

Definitions

“Annual Caps”	the maximum consideration payable by WTC pursuant to the terms of the Offer and for using 4 car parking spaces at Landmark East during the four years ending 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017;
“Begin Land”	Begin Land Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“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;
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Landmark East”	an office development located at 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong with two high-rise office towers named as AXA Tower and AIA Kowloon Tower respectively and car parking facilities;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;

“Offer”	The offer letter made by WTC in relation to the continuation of leasing of Suites 1502-5, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong for the period from 16 May 2014 to 15 May 2017;
“Percentage Ratios”	has the meaning ascribed to it under Chapter 14 of the Listing Rules;
“Premises”	Suites 1502-5, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong;
“Revenue Ratio”	has the meaning ascribed to it under Chapter 14 of the Listing Rules;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“WTC”	Wing Tai Corporation Limited, a limited liability company incorporated in Hong Kong, a substantial shareholder of the Company which is interested in approximately 13.65% of the issued share capital of the Company.

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

Hong Kong, 15 May 2014

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 and Chow Wai Wai, John
Non-executive Directors:	Kwok Ping Luen, Raymond (Yung Wing Chung as his alternate) Hong Pak Cheung, William, Ng Tak Wai, Frederick and Chen Chou Mei Mei, Vivien
Independent Non-executive Directors:	Simon Murray, Fang Hung, Kenneth, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma and Cheng Hoi Chuen, Vincent