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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)

### **DISCLOSEABLE TRANSACTION**

### **FORMATION OF A JOINT VENTURE FOR PROPERTY ACQUISITION IN MAINLAND CHINA**

The Company is pleased to announce that on 14 December 2010, the Group through its wholly-owned subsidiary has established the JV Group with the Nan Fung Group by entering into the Shareholders Deed. The JV Group will make an application to establish the WFOE for the purpose of acquiring the Properties.

The JV Co is owned as to 50% by WTPC No. 2 and 50% by Keen Achieve. Pursuant to the Shareholders Deed, the shareholders of the JV Co shall provide funding to the JV Co in proportion to their shareholdings in the JV Co and in such amount and by such time as decided by the board of the JV Co. It is anticipated that the Group's total investment in the JV Group will not exceed an aggregate amount of RMB600 million (approximately HK\$708 million).

As one of the relevant percentage ratios under Rule 14.07 of the Listing Rules in respect of the Group's anticipated total investment in the JV Group exceeds 5% but is less than 25%, the entering into the Shareholders Deed constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **INTRODUCTION**

The Company is pleased to announce that on 14 December 2010, the Group through its wholly-owned subsidiary has established the JV Group with the Nan Fung Group by entering into the Shareholders Deed. The JV Group will make an application to establish the WFOE for the purpose of acquiring the Properties.

### **THE SHAREHOLDERS DEED**

Date: 14 December 2010

Parties:

1. WTPC
2. WTPC No. 2
3. Golden Success
4. Keen Achieve
5. the JV Co

Shareholding: The JV Co is owned as to 50% by WTPC No. 2 and 50% by Keen Achieve. WTPC No. 2 is a direct wholly-owned subsidiary of WTPC and an indirect wholly-owned subsidiary of the Group. Keen Achieve is a direct wholly-owned subsidiary of Golden Success and a member of the Nan Fung Group.

To the best of the Directors' information, knowledge and belief having made all reasonable enquiries, Keen Achieve and Golden Success and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

- Management: Half of the number of the directors of each company in the JV Group shall be appointed by WTPC No. 2 and the remaining half shall be appointed by Keen Achieve.
- Business and Operation of the JV Group: The principal business of the JV Group shall be:
- (a) for the JV Co, to hold 100% of the entire issued share capital of Estate Success;
  - (b) for Estate Success, to make an application to establish the WFOE and to hold 100% of the entire registered capital of the WFOE after the same has been established;
  - (c) for the WFOE, to acquire the Properties and, after the acquisition thereof, to fit-out, hold, manage, operate, sell, lease and/or otherwise deal with the Properties or any part thereof in such manner as may be determined by the board of the JV Co from time to time.
- Financing: The shareholders of the JV Co shall provide funding to the JV Co in proportion to their shareholdings in the JV Co in such amount and by such time as decided by the board of the JV Co provided that the shareholders of the JV Co shall not have any obligation to provide funding to the JV Group exceeding an aggregate amount of RMB1,200 million (approximately HK\$1,416 million) which is arrived at on the basis of the estimated cost for acquisition of the Properties and the estimated costs associated with fitting out, holding and managing the Properties.
- Accordingly, it is anticipated that the Group's total investment in the JV Group will not exceed an aggregate amount of RMB600 million (approximately HK\$708 million).
- Guarantee: Each of Golden Success and WTPC shall guarantee the performance of certain obligations of Keen Achieve and WTPC No. 2 under the Shareholders Deed respectively.

## **REASONS FOR AND BENEFITS FOR THE FORMATION OF THE JV CO AND THE ACQUISITION OF THE PROPERTIES**

The Group and the Nan Fung Group have in the past worked successfully together on certain development projects in Hong Kong. The Directors of the Company consider that the formation of the JV Group will enhance the competitiveness of both groups and achieve synergy.

Further, the acquisition of the Properties by the JV Group is in line with the principal business of the Group and will strengthen the property portfolio of the Group.

The Directors are of the view that the terms of the Shareholders Deed are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole, and the Shareholders Deed has been entered into on normal commercial terms after arm's length negotiations between the parties.

## **LISTING RULES IMPLICATIONS**

It is anticipated that the Group's total investment in the JV Group will not exceed an aggregate amount of RMB600 million (approximately HK\$708 million). The Group intends to fund such investment from the Group's internal resources and/or by bank borrowings at the JV Group level.

As one of the relevant percentage ratios under Rule 14.07 of the Listing Rules in respect of the Group's anticipated total investment in the JV Group exceeds 5% but is less than 25%, the entering into the Shareholders Deed constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## GENERAL

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

Nan Fung Group is a privately held group of companies, the principal businesses of which include property development, property investment, construction, investment holdings and financing.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“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
“Estate Success”	Estate Success Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the JV Co
“Golden Success”	Golden Success Profits Limited, a company incorporated in the British Virgin Islands with limited liability and a member of the Nan Fung Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JV Co”	Property Sky Limited, a company incorporated in the British Virgin Islands with limited liability
“JV Group”	the JV Co and its subsidiaries
“Keen Achieve”	Keen Achieve Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Golden Success and a member of the Nan Fung Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nan Fung Group”	a privately held group of companies, the principal businesses of which include property development, property investment, construction, investment holdings and financing
“Mainland China”	the People's Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Properties”	the properties comprise Tower 3 of 國信世紀海景園 (excluding commercial properties on the 1 <sup>st</sup> and 2 <sup>nd</sup> Floors) situate at Lane 1288 Pu Ming Road, Pudong New District, Shanghai City, the PRC with a gross floor area of approximately 19,307 square metres, which will be divided into about 97 luxury apartment type units, and certain car park spaces on the basement 2 <sup>nd</sup> Floor thereof
“RMB”	Renminbi, the lawful currency of Mainland China

“Shareholders Deed”	a shareholders deed entered into between WTPC, WTPC No. 2, Golden Success, Keen Achieve and the JV Co on 14 December 2010 governing the investment in and the ownership, funding, operation and the activities of the JV Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WFOE”	a wholly foreign-owned enterprise to be established and owned by Estate Success in Mainland China
“WTPC”	Wing Tai Properties (China) Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“WTPC No. 2”	Wing Tai Properties (China) (No. 2) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of WTPC

*For the purposes of this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1 =HK\$1.18.*

By Order of the Board of  
**Wing Tai Properties Limited**  
 Fung Ching Man, Janet  
*Company Secretary & Chief Financial Officer*

Hong Kong, 16 December 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