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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)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

The Directors are pleased to announce that on 21 November 2011, an agreement was entered into between Gieves and Wensum (the "2011 Agreement"). The 2011 Agreement sets out the terms and conditions under which Gieves may place orders with Wensum for supply of certain finished tailored menswear or their components for the three years ending on 31 December 2014.

Wensum is a wholly-owned subsidiary of WTC which is a substantial shareholder of the Company. Hence, Wensum is a Connected Person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2011 Agreement (the "Transactions") will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

It is estimated that the maximum aggregate annual values of the Transactions for the three years ending 31 December 2012, 31 December 2013 and 31 December 2014 will be GBP4,100,000, GBP4,600,000 and GBP5,100,000 respectively (the "Annual Caps").

As it is anticipated that the applicable Percentage Ratios in respect of the Annual Caps exceed 0.1% but are less than 5%, the Transactions and the Annual Caps are therefore subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **Background**

Reference is made to the announcement dated 4 December 2008 made by the Company that, amongst other things, an agreement was entered into between Gieves and Wensum on that date (the "2008 Agreement") under which Gieves may place orders with Wensum for supply of certain finished tailored menswear or their components for the three years ending on 31 December 2011. The 2008 Agreement will therefore expire on 31 December 2011.

The Directors are pleased to announce that on 21 November 2011, the 2011 Agreement was entered into between Gieves and Wensum. The 2011 Agreement sets out the terms and conditions under which Gieves may place orders with Wensum for supply of certain finished tailored menswear or their components for the three years ending on 31 December 2014.

#### **Summary of the 2011 Agreement**

Date : 21 November 2011

Seller : Wensum

Buyer : Gieves

Term : from 1 January 2012 to 31 December 2014 (both days inclusive)

Pursuant to the 2011 Agreement, Gieves may buy certain finished tailored menswear or their components as specified in orders to be issued by Gieves to Wensum from time to time during the term. According to the 2011 Agreement, the purchases are on 30 days credit and 2.5% early settlement discount is allowed if payment is made within 30 days.

The terms of the 2011 Agreement are determined after arm's length negotiations between Gieves and Wensum and are similar to those of the 2008 Agreement.

### **Annual Caps**

All orders will be placed by Gieves with Wensum at Wensum's quoted prices (which will be determined based upon market situation, including market prices from time to time and the prices of goods of quantities, specifications and types similar to those sold by Wensum to independent third parties). It is estimated that the Annual Caps for the three years ending 31 December 2012, 31 December 2013 and 31 December 2014 will be GBP4,100,000, GBP4,600,000 and GBP5,100,000 respectively. These estimates are made after taking into account the previous sales volumes, the expected business performance of Gieves and the upward trend of the prices of raw materials and components. The aggregate purchases made by Gieves from Wensum for the two years ended 31 December 2009 and 2010 and the ten-month period ended 31 October 2011 amounted to GBP3,338,000, GBP2,117,000 and GBP2,192,301 respectively. The Annual Caps do not represent any commitment on the part of Gieves but are estimates on the maximum business volume between Gieves and Wensum during the term of the 2011 Agreement.

### **Reasons for and benefits of the Transactions**

Wensum has been a supplier of finished tailored menswear or their components to Gieves for many years and therefore mutual-trust business relationship between Wensum and Gieves has been built up over time. A stable and uninterrupted supply of quality goods from a trustworthy supplier is vital to the business operations of Gieves.

The Directors, including the independent non-executive directors, are of the view that the 2011 Agreement was, and the Transactions will be, entered into in the usual and ordinary course of business of Gieves and that the terms of the 2011 Agreement, the Transactions and the Annual Caps are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

### **Requirements of the Listing Rules**

Wensum is a wholly-owned subsidiary of WTC which is a substantial shareholder of the Company. Hence, Wensum is a Connected Person of the Company under the Listing Rules. Accordingly, the Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As it is anticipated that the applicable Percentage Ratios in respect of the Annual Caps exceed 0.1% but are less than 5%, the Transactions and the Annual Caps are therefore subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of Messrs. Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis has a material interest in the Transactions and Messrs. Cheng Wai Chee, Christopher and Cheng Man Piu, Francis are also directors of WTC. Messrs. Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis have abstained from voting on the board resolutions approving the Transactions.

## Information about the Company

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 investing activities.

## Information about Gieves and Wensum

Gieves is a wholly-owned subsidiary of Gieves & Hawkes plc which is a wholly-owned subsidiary of the Company. Gieves & Hawkes plc is principally engaged in retailing, wholesaling and licensing of menswear.

Wensum is principally engaged in the business of supplying garment products. It is a wholly-owned subsidiary of WTC, a substantial shareholder of the Company, and therefore a Connected Person of the Company.

## Definitions

“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;
“GBP”	Great British Pound, being the lawful currency of the United Kingdom;
“Gieves”	Gieves Limited, a wholly-owned subsidiary of Gieves & Hawkes plc which is a wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Percentage Ratios”	has the meaning ascribed to it under Chapter 14 of the Listing Rules;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wensum”	Wensum Tailoring Limited, a wholly-owned subsidiary of WTC;
“WTC”	Wing Tai Corporation Limited, a limited liability company incorporated in Hong Kong, is a substantial shareholder of the Company interested in approximately 13.62% 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, 21 November 2011

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 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, Loh Soo Eng and Ng Tak Wai, Frederick

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