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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 DEEMED DISPOSAL OF 15% EQUITY INTEREST IN A SUBSIDIARY AND DISPOSAL OF 15% OF SHAREHOLDERS' LOANS OF A SUBSIDIARY

On 30 June 2021, the Government awarded the tender for the Land to the Project Company for a premium of HK\$2,616,800,000 (the "Land Premium"). The Project Company will develop the Land into residential units and ancillary facilities for sale. The Group has advanced, in aggregate, HK\$2,616,800,000 in the form of shareholders' loans (the "Shareholders' Loans") to the Project Company for financing the payment of the Land Premium.

The Directors are pleased to announce that on 4 August 2021, the Company entered into the MOA pursuant to which (i) Sunbeam Star and Su Sih shall acquire from the Group 10% and 5% of the Shareholders' Loans at face value within 3 business days from the signing of the MOA (the "Disposal of Shareholders' Loans") and (ii) the Company shall procure the Holding Company to complete the Allotments within 7 days from the signing of the MOA.

As the equity interest of Wing Tai Subsidiary in the Holding Company will be reduced from 100% to 85% upon completion of the Allotments, the Allotments constitute a deemed disposal of a 15% equity interest in the Holding Company under Rule 14.29 of the Listing Rules (the "Deemed Disposal").

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal and the Disposal of Shareholders' Loans exceeds 5% and all applicable percentage ratios are less than 25%, the entering into of the MOA constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 the Listing Rules.

Su Sih is a Substantial Shareholder of Silver Era and Smart Tycoon is a wholly-owned subsidiary of Silver Era. As Silver Era is an insignificant subsidiary of the Company (as defined under Rule 14A.09(1) of the Listing Rules), Su Sih is not a Connected Person of the Company by virtue of Rule 14A.09 of the Listing Rules. Therefore, the disposal of 5% of the Shareholders' Loans, and the allotment of new shares of the Holding Company, to Su Sih do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

DEEMED DISPOSAL OF 15% EQUITY INTEREST OF THE HOLDING COMPANY AND THE DISPOSAL OF 15% OF THE SHAREHOLDERS' LOANS

The Directors are pleased to announce that on 4 August 2021, the Company entered into the MOA.

MEMORANDUM OF AGREEMENT

The principal terms of the MOA are set out as follows:

- Date : 4 August 2021
- Parties : (i) the Company;
(ii) Sunbeam Star; and
(iii) Su Sih

(the "Parties")
- Disposal of Shareholders' Loans : Sunbeam Star and Su Sih shall acquire from the Group 10% and 5% of the Shareholders' Loans at face value (i.e. for HK\$261,680,000 and HK\$130,840,000 respectively) within 3 business days from the signing of the MOA.
- Allotments : the Company shall procure the Holding Company to allot its new shares to Wing Tai Subsidiary, Sunbeam Star or its subsidiary and Su Sih or its subsidiary at par value of US\$1 per share whereby Wing Tai Subsidiary, Sunbeam Star or its subsidiary and Su Sih or its subsidiary will own 85%, 10% and 5% of the issued share capital of the Holding Company after such allotments.
- Joint Venture Agreement to be entered into : the Company, Wing Tai Subsidiary, Sunbeam Star and/or its subsidiary and Su Sih and/or its subsidiary shall enter into a joint venture agreement in relation to the Holding Company and the Project Company as soon as practicable.

Upon completion of the Allotments, the shareholding portion of the Holding Company shall be as follows:

	<u>Shareholding Proportion</u>
Wing Tai Subsidiary	85%
Sunbeam Star or its subsidiary	10%
Su Sih or its subsidiary	5%
Total	<u>100%</u>

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Sunbeam Star, Su Sih and their ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company (save as disclosed herein). Su Sih is a Substantial Shareholder of Silver Era and Smart Tycoon is a wholly-owned subsidiary of Silver Era. As Silver Era is an insignificant subsidiary of the Company (as defined under Rule 14A.09(1) of the

Listing Rules), Su Sih is not a Connected Person of the Company by virtue of Rule 14A.09 of the Listing Rules.

INFORMATION OF THE JOINT VENTURE GROUP

The Holding Company is a limited liability company incorporated in the British Virgin Islands and it is also an immediate holding company of the Project Company which is for the sole purpose of property development. The Project Company won the tender for the residential site, Lot No. 4076 in Demarcation District No. 91 at the junction of Fan Kam Road and Castle Peak Road - Kwu Tung, Fanling, New Territories, for a premium of HK\$2,616,800,000 on 30 June 2021. The site has a site area of about 4,400 square metres while maximum attainable gross floor area is 26,400 square metres which is just approximately a 10-minute walk to Sheung Shui MTR Station with the site is adjacent to Fanling golf course. The principal asset of the Project Company is the Land as at the date of this announcement.

FINANCIAL EFFECTS OF THE TRANSACTION AND USE OF PROCEEDS FROM THE TRANSACTION

As at the date of this announcement, the Holding Company is a direct wholly-owned subsidiary of Wing Tai Subsidiary. As at the date of this announcement, the Company, through Wing Tai Subsidiary, holds the entire equity interest in the Joint Venture Group. Upon completion of the Allotments, the Group will hold, through Wing Tai Subsidiary, 85% of the equity interest in the Joint Venture Group, and each of the Holding Company and the Project Company will remain a subsidiary of the Company. Neither gain or loss is expected to be earned or suffered by the Group as a result of the Deemed Disposal and the Disposal of Shareholders' Loans. After completion of the Allotments, the financial results of the Joint Venture Group (including earnings, assets and liabilities) will continue to be consolidated into and reflected in the financial statements of the Group. The Group will receive HK\$392,520,000 from the Disposal of Shareholders' Loans at face value without gain or loss. The amount of Shareholders' Loans is the same of the amount of the Land Premium. The consideration for the Disposal of Shareholders' Loans will be settled in cash by Sunbeam Star and Su Sih within 3 business days from the signing of the MOA. The consideration for the Allotments will be settled in cash upon the Allotments.

REASONS FOR AND BENEFITS OF THE TRANSACTION

One of the principal activities of the Group is property development. The Directors believe that the Deemed Disposal would benefit the Company by establishing a strategic partnership with Sunbeam Star and Su Sih and increase the financial flexibility of the Group for more property development projects.

The Directors (including the independent non-executive Directors) are of the view that the terms of the MOA are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole and has been entered into on normal commercial terms after arm's length negotiations between the Parties.

INFORMATION ON THE COMPANY AND 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. Wing Tai Subsidiary is principally engaged in investment holding and designated by the Company to hold, among other things, the shares of the Holding Company.

INFORMATION ON SUNBEAM STAR AND SU SIH

The principal business of Sunbeam Star is investment holding. The ultimate beneficial owners of Sunbeam Star are Mr. Tung Chee Chen, Mrs. Slighton Tung Leih Yuan Audrey, Mr. Tung Lieh Cheung Andrew and Mr. Tung Lieh Sing Alan.

The principal business of Su Sih is investment holding. The ultimate beneficial owner of Su Sih is Mr. Tang Ying Yen Henry.

LISTING RULES IMPLICATIONS

As the equity interest of Wing Tai Subsidiary in the Holding Company will be reduced from 100% to 85% upon completion of the Allotments, the Allotments constitute a deemed disposal of the equity interest in the Holding Company under Rule 14.29 of the Listing Rules.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal and the Disposal of Shareholders' Loans exceeds 5% and all applicable percentage ratios are less than 25%, the entering into of the MOA constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 the Listing Rules.

Su Sih is a Substantial Shareholder of Silver Era and Smart Tycoon is a wholly-owned subsidiary of Silver Era. As Silver Era is an insignificant subsidiary of the Company (as defined under Rule 14A.09(1) of the Listing Rules), Su Sih is not a Connected Person of the Company by virtue of Rule 14A.09 of the Listing Rules. Therefore, the transactions contemplated under the MOA do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Allotments”	the allotments by the Holding Company of its new shares to Wing Tai Subsidiary, Sunbeam Star or its subsidiary and Su Sih or its subsidiary at par value of US\$1 per share whereby Wing Tai Subsidiary, Sunbeam Star or its subsidiary and Su Sih or its subsidiary will own 85%, 10% and 5% of the issued share capital of the Holding Company after such allotments;
“Board”	the board of Directors;
“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”	has the meaning ascribed to it under Chapter 14A of the Listing Rules;
“Deemed Disposal”	the reduction of the Group's equity interest in the Holding Company from 100% to 85% upon completion of the Allotments;

“Directors”	the directors of the Company;
“Government”	the Government of the Hong Kong Special Administrative Region of the People’s Republic of China;
“Group”	the Company and its subsidiaries;
“Holding Company”	Metro Lead Holdings Limited, a limited liability company incorporated in the British Virgin Islands which is a wholly-owned subsidiary of Wing Tai Subsidiary as of the date of this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Joint Venture Group”	the Holding Company and the Project Company;
“Land”	Lot No. 4076 in Demarcation District No. 91 at the junction of Fan Kam Road and Castle Peak Road - Kwu Tung, Fanling, New Territories, Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MOA”	the binding memorandum of agreement dated 4 August 2021 entered into between the Company, Sunbeam Star and Su Sih;
“Project Company”	Wisdom Sign Limited, a limited liability company incorporated in Hong Kong which is a wholly-owned subsidiary of the Holding Company and the registered owner and developer of the Land;
“Silver Era”	Silver Era (HK) Limited, a limited liability company incorporated in the British Virgin Islands and an indirect non wholly-owned subsidiary of the Company;
“Smart Tycoon”	Smart Tycoon Limited, a limited liability company incorporated in Hong Kong and an indirect non wholly-owned subsidiary of the Company and the registered owner and developer of the residential project known as OMA by the Sea;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder”	has the meaning ascribed to it under Chapter 1 of the Listing Rules;
“Su Sih”	Su Sih Developments Limited, a limited liability company incorporated in the British Virgin Islands;
“Sunbeam Star”	Sunbeam Star Development Limited, a limited liability company incorporated in the British Virgin Islands;

“Wing Tai Subsidiary” Wing Tai Properties (International) Limited, a limited liability company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company.

By Order of the Board
Wing Tai Properties Limited
Chung Siu Wah, Henry
Company Secretary & Group Legal Counsel

Hong Kong, 4 August 2021

As at the date of this announcement, the Directors 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