

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

WING TAI PROPERTIES LIMITED

永泰地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

CONTINUING CONNECTED TRANSACTION:

RENEWAL OF LEASING OF PROPERTY WITH WING TAI CORPORATION LIMITED

Reference is made to the announcement of the Company dated 11 May 2017 in relation to, amongst other things, Begin Land (as landlord), the Company's indirect subsidiary, accepted the offer made by WTC (as tenant) in relation to the renewal of leasing of the Premises for a fixed term of three years for the period from 16 May 2017 to 15 May 2020.

The Directors announce that on 15 May 2020, Begin Land accepted the Renewal Offer from WTC in relation to the renewal of the leasing of the Premises for a fixed term of one year after the expiry of the term of the existing lease for the Premises on 15 May 2020.

WTC is a Connected Person of the Company under the Listing Rules by virtue of being (i) a Substantial Shareholder of the Company and (ii) an Associate of each of the Interested Directors because it is a Majority-controlled Company held by him and his Family Members. Accordingly, the acceptance of the Renewal Offer constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

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

Acceptance of the Renewal Offer

The Directors announce that on 15 May 2020 Begin Land (as landlord) accepted the Renewal Offer from WTC (as tenant) in relation to the renewal of the leasing of the Premises for a fixed term of one year after the expiry of the term of the existing lease for the Premises on 15 May 2020.

Principal terms of the Renewal Offer are set out below:-

Date:	15 May 2020
Landlord:	Begin Land
Tenant:	WTC
Premises:	Suites 1502-5, 15 th Floor, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong (Approximately 13,526 square feet)
Term:	Fixed term of one year commencing from 16 May 2020 and ending on 15 May 2021 (both days inclusive)

Rental, management fee, other charges and licence fees:	Approximately HK\$6,040,000 for the term of one year commencing from 16 May 2020 and ending on 15 May 2021 (both days inclusive), which includes rental (exclusive of government rates and all other tenant's outgoings), management fee, air-conditioning charge, chilled water charge and licence fees for using certain car parking spaces at Landmark East.
Rent Free Period:	10 days. During the rent free period, WTC shall be required to pay management fee, air-conditioning charge, government rates and other outgoings.
Security Deposit:	Cash in an amount equal to three months' rental, management fee, air-conditioning charge and government rates.

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 Cap

The maximum consideration payable by WTC pursuant to the terms of the Renewal Offer and for using 4 car parking spaces at Landmark East during the one year term commencing from 16 May 2020 and ending on 15 May 2021 (both days inclusive) will not exceed the Annual Cap of HK\$6,040,000.

The Annual Cap was determined with reference to, among other things, (i) the rental rate stated in the Renewal Offer; (ii) the rate of management fee and air-conditioning charge stated in the Renewal 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. A buffer has also been built in to arrive at the Annual Cap.

Reasons for and Benefits of the Renewal Offer

AXA Tower, Landmark East is held by Begin Land as an investment property for rental income, therefore the acceptance of the Renewal Offer helps provide stable rental income from a quality tenant paying rent at market rates for the Premises. The terms of the Renewal 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 Renewal Offer is accepted in the ordinary and usual course of the business of Begin Land and the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Requirements of the Listing Rules

WTC is a Connected Person of the Company under the Listing Rules by virtue of being (i) a Substantial Shareholder of the Company and (ii) an Associate of each of the Interested Directors because it is a Majority-controlled Company held by him and his Family Members. Accordingly, the acceptance of the Renewal Offer constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The Revenue Ratio for the Annual Cap exceeds 0.1% whereas all applicable Percentage Ratios in respect of the Annual Cap are less than 5%. The acceptance of the Renewal Offer and the continuing connected transaction are therefore subject to the reporting, annual review and

announcement requirements but are exempt from the requirement of obtaining independent shareholders' approval under Chapter 14A of the Listing Rules.

Each of the Interested Directors is interested in the issued share capital of WTC and hence has a material interest in the Renewal Offer whereas Cheng Wai Chee, Christopher and Cheng Man Piu, Francis are also directors of WTC. They have abstained from voting on the Board resolutions in respect of the transactions contemplated under the Renewal Offer.

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 and an Associate of each of the Interested Directors. The principal business activities of WTC and its subsidiaries are investment holding, garment manufacturing and trading. The ultimate beneficial owners of WTC are the Interested Directors and their Family Members.

Definitions

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

“Annual Cap”	the maximum consideration payable by WTC pursuant to the terms of the Renewal Offer and for using 4 car parking spaces at Landmark East during the one year term commencing from 16 May 2020 and ending on 15 May 2021 (both days inclusive);
“Associate”	has the meaning ascribed to it under Chapter 14A of the Listing Rules;
“Begin Land”	Begin Land Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“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;
“Directors”	the directors of the Company;
“Family Members”	has the meaning ascribed to it under Chapter 14A of the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Interested Directors”	Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis;
“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;
“Majority-controlled Company”	has the meaning ascribed to it under Chapter 14A of the Listing Rules;
“Percentage Ratios”	has the meaning ascribed to it under Chapter 14 of the Listing Rules;
“Premises”	Suites 1502-5, 15 th Floor, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong;
“Renewal Offer”	The renewal offer letter made by WTC in relation to the renewal of leasing of the Premises for the period from 16 May 2020 to 15 May 2021(both days inclusive);
“Revenue Ratio”	has the meaning ascribed to it under Chapter 14 of the Listing Rules;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder”	has the meaning ascribed to it under Chapter 1 of the Listing Rules;
“WTC”	Wing Tai Corporation Limited, a limited liability company incorporated in Hong Kong, being a Substantial Shareholder of the Company which is interested in approximately 13.48% of the issued share capital of the Company and an Associate of each of the Interested Directors.

By Order of the Board of
WING TAI PROPERTIES LIMITED
Chung Siu Wah, Henry
Company Secretary & Group Legal Counsel

Hong Kong, 15 May 2020

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