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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 TRANSACTION:

RENEWAL OF LEASING OF PROPERTY WITH WING TAI CORPORATION LIMITED

The Directors announce that on 10 May 2024, Begin Land (as landlord), the Company's indirect wholly-owned subsidiary, accepted the Renewal Offer from WTC (as tenant) in relation to the renewal of the leasing of the Premises for a fixed term of three years after the expiry of the term of the existing lease for the Premises on 15 May 2024.

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 WTC is a Majority-Controlled Company held by the Interested Directors and some of their Family Members). Accordingly, the acceptance of the Renewal Offer constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable Percentage Ratios in respect of the Annual Caps exceed 0.1% but all of them are less than 5%, the acceptance of the Renewal Offer is therefore subject to the announcement, reporting and annual review 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 10 May 2024, Begin Land (as landlord), the Company's indirect wholly-owned subsidiary, accepted the Renewal Offer from WTC (as tenant) in relation to the renewal of the leasing of the Premises for a fixed term of three years after the expiry of the term of the existing lease for the Premises on 15 May 2024.

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

Date:	10 May 2024
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 three years commencing from 16 May 2024 and ending on 15 May 2027 (both days inclusive)
Rental, management fee, other charges and licence fees:	Approximately HK\$5,680,000 per annum, 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 car parking spaces
Rent Free Period:	One month. 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 the aggregate of (i) three months' rental; (ii) three months' management fee and air-conditioning charge at the prevailing amounts; and (iii) quarterly government rates at the prevailing amount

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 Renewal Offer and licensing 4 car parking spaces at Landmark East for each of the calendar years covered by the rental period is as follows:

For the year ending <u>31 December 2024</u>	For the year ending <u>31 December 2025</u>	For the year ending <u>31 December 2026</u>	For the year ending <u>31 December 2027</u>
HK\$3,200,000	HK\$5,680,000	HK\$5,680,000	HK\$2,130,000

The Annual Caps were 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; (vi) projected licence fees for car parking spaces; and (vii) the prevailing market conditions and the rental level of similar properties in the vicinity of the Premises. A buffer has also been built in to arrive at the Annual Caps.

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 rates 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 on normal commercial terms, 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 WTC is a Majority-Controlled Company held by the Interested Directors and some of their Family Members). Accordingly, the acceptance of the Renewal Offer constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable Percentage Ratios in respect of the Annual Caps exceed 0.1% but all of them are less than 5%, the acceptance of the Renewal Offer is therefore subject to the announcement, reporting and annual review 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 is also a director of WTC. The Interested Directors 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 some of their Family Members.

Definitions

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

“Annual Cap”	the maximum consideration payable by WTC pursuant to the Renewal Offer and licensing 4 car parking spaces at Landmark East during the three years term commencing from 16 May 2024 and ending on 15 May 2027 (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 Rule 14A.12(2)(a) 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 2024 to 15 May 2027;
“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 13.65% 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, 10 May 2024

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 and Chen Chou Mei Mei, Vivien

Independent Non-executive Directors:

Simon Murray, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma, Lam Kin Fung, Jeffrey and Ng Tak Wai, Frederick