

CONTINUING CONNECTED TRANSACTIONS

The following is a summary of transactions entered into by the Company in 2005 which constituted “Continuing Connected Transactions” for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For full details of these transactions, please refer to the official announcements made by the Company at the relevant time.

- (1) On 2 June 2005, The Wing On Company Limited (“WOCO”), a wholly-owned subsidiary of the Company, entered into a Tenancy Agreement with Wocom Holdings Limited (“WOCOM”) to renew the existing tenancy of Rooms 1001 to 1006 Wing On Centre, 111 Connaught Road Central, Hong Kong for a three year fixed term commencing from 8 June 2005 to 7 June 2008 at a monthly rental of HK\$135,500 (exclusive of management fees, air-conditioning charges and government rates). Since WOCOM is an indirect non-wholly owned subsidiary of Kee Wai Investment Company (BVI) Limited (“Kee Wai (BVI)”), a substantial shareholder of the Company, which in turn is holding approximately 61.13% interest in the existing issued share capital of the Company, the Tenancy Agreement constitutes a continuing connected transaction for the Company.
- (2) On 16 December 2005, The Wing On Department Stores (Hong Kong) Limited (“WODS”) exercised an option under the provisions of the existing tenancy agreement to renew the tenancy of Basement 1, Ground Floor to 6th Floor, Wing On Kowloon Centre, 345 Nathan Road, Kowloon, Hong Kong (“Premises”) for a further term of three years from 1 January 2006 to 31 December 2008 with WOCO and The Wing On Properties and Securities Company Limited (“WOPS”) at a monthly rental of HK\$3,360,000 (exclusive of rates, management fees and all outgoings). The Premises are jointly owned by WOCO and WOPS as to 64.37% and 35.63% respectively. WODS and WOCO are wholly-owned subsidiaries of the Company. Since WOPS is an indirect non-wholly owned subsidiary of Kee Wai (BVI), a substantial shareholder of the Company, which in turn is holding approximately 61.13% interest in the existing issued share capital of the Company, the exercise of the option to renew constitutes a continuing connected transaction of the Company.

The independent non-executive directors have reviewed and confirmed that the continuing connected transactions disclosed above were entered in the ordinary and usual course of business of the Group and on normal commercial terms and in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The external auditor has also confirmed that the continuing connected transactions disclosed above have been approved by the Directors of the Company, entered into in accordance with the relevant agreement governing the transactions and have not exceeded the annual Cap Amount as set out in the written resolutions of the Board of Directors approving the continuing connected transactions.