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TAI SANG LAND DEVELOPMENT LIMITED

大生地產發展有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 89)

CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENT

On 10 April 2017, the Company as tenant entered into the Tenancy Agreement with Tai Sang Bank as landlord, in respect of the leasing of the Premises. Since Tai Sang Bank is a connected person of the Company, the Tenancy Agreement constitutes a continuing connected transaction of the Company for the purpose of the Listing Rules.

As some of the Annual Cap Amounts payable by the Company to Tai Sang Bank under the Previous Tenancy Agreement and the Tenancy Agreement for the year ending 31 December 2017 and under the Tenancy Agreement for the year ending 31 December 2018 and for the period from 1 January 2019 to 14 April 2019 respectively are more than HK\$3,000,000 and some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules are more than 0.1% but all applicable percentage ratios are less than 5%, the Tenancy Agreement is only subject to the reporting, announcement and annual review requirements under the Listing Rules but is exempted from the independent shareholders' approval requirement under the Listing Rules. Particulars of the Tenancy Agreement will be disclosed in the annual reports and financial statements of the Company in accordance with the requirements of the Listing Rules.

THE TENANCY AGREEMENT

On 10 April 2017, the Company as tenant entered into the Tenancy Agreement with Tai Sang Bank as landlord, in respect of the leasing of the Premises. The principal terms of the Tenancy Agreement are as follows:

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| Parties | : | Tai Sang Bank as landlord and the Company as tenant |
| Premises being leased | : | 2nd Floor, 9th Floor, 10th Floor, 11th Floor and 14th Floor of the Building |
| Tenancy term | : | 15 April 2017 to 14 April 2019, both days inclusive |
| Rental | : | HK\$330,000 per month, exclusive of rates, air-conditioning charges and management fee |

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| Air-conditioning charges and management fee | : | HK\$44,000 per month, which is subject to adjustments at Tai Sang Bank's discretion by giving to the Company one calendar month's written notice. Additional air-conditioning charges may be charged for supply of air-conditioning outside normal office hours. |
| Deposit | : | HK\$1,122,000 being three months' rental and air-conditioning charges and management fee |
| Rent free period | : | 2 months from 15 April 2017 to 14 May 2017 and from 15 March 2019 to 14 April 2019 |

The aggregate gross floor area of the Premises is approximately 10,000 sq. ft. The stamp duty and Land Registry registration fee payable in respect of the Tenancy Agreement shall be borne by Tai Sang Bank and the Company in equal shares.

Upon the signing of the Tenancy Agreement, the Company paid to Tai Sang Bank the sum of HK\$36,000 being the balance of deposit payable under the Tenancy Agreement after setting off against the aggregate deposit of HK\$1,086,000 paid under the Previous Tenancy Agreement.

REASONS FOR ENTERING INTO THE TENANCY AGREEMENT

The Company as tenant had entered into the Previous Tenancy Agreement with Tai Sang Bank as landlord in relation to the leasing of the Premises for a term of three years from 15 April 2014 to 14 April 2017 for use as its office. As the Previous Tenancy Agreement shall expire on 14 April 2017, the Tenancy Agreement is entered into for the purpose of renewing the existing tenancy in respect of the Premises.

The terms of the Tenancy Agreement were negotiated on an arm's length basis and the rental chargeable under the Tenancy Agreement was determined after taking into account the valuation of an independent valuer in April 2017 in connection with the market rental chargeable in respect of the Premises as well as the monthly rental per sq. ft. which Tai Sang Bank currently charges other tenants of the Building. The Directors (including the independent non-executive Directors) consider that the Tenancy Agreement is entered into in the ordinary and usual course of business of the Company, and its terms are on normal commercial terms and are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTION

Kam Chan & Co is a company which the executive Directors together with their family members and companies controlled by them can exercise or control the exercise of more than 50% of the voting rights at its general meetings and is therefore a connected person of the Company. It is also a connected person of the Company by virtue that it is a substantial shareholder directly or indirectly interested in more than 30% of the total number of issued shares of the Company. As more than 30% of the total number of the issued shares of Tai Sang Bank is held by a wholly-owned subsidiary of Kam Chan & Co, Tai Sang Bank is an associate of Kam Chan & Co and therefore a connected person of the Company. Further, Tai Sang

Bank is also a deemed connected person of the Company by virtue that the executive Directors together with their relatives and companies controlled by them can exercise or control the exercise of more than 50% of the voting rights at general meetings of Tai Sang Bank. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction of the Company for the purpose of the Listing Rules. In the light of the executive Directors' interests in Kam Chan & Co and Tai Sang Bank as set out above, all the executive Directors have abstained from voting on the resolution of the Board to approve the Tenancy Agreement and the transactions contemplated thereunder.

Based on the monthly rental and maintenance and management charges payable under the Previous Tenancy Agreement and the Tenancy Agreement (including any future increment in the air-conditioning charges and management fee), it is expected that the aggregate maximum amount payable under the Previous Tenancy Agreement and the Tenancy Agreement for the year ending 31 December 2017 and under the Tenancy Agreement for the year ending 31 December 2018 and for the period from 1 January 2019 to 14 April 2019 should not exceed HK\$3,900,000, HK\$4,600,000 and HK\$1,100,000 respectively (collectively, the “**Annual Cap Amounts**”). The Directors (including the independent non-executive Directors) consider that the Annual Cap Amounts are fair and reasonable.

As some of the Annual Cap Amounts payable by the Company to Tai Sang Bank under the Previous Tenancy Agreement and the Tenancy Agreement for the year ending 31 December 2017 and under the Tenancy Agreement for the year ending 31 December 2018 and for the period from 1 January 2019 to 14 April 2019 respectively are more than HK\$3,000,000 and some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules are more than 0.1% but all applicable percentage ratios are less than 5%, the Tenancy Agreement is only subject to the reporting, announcement and annual review requirements under the Listing Rules but is exempted from the independent shareholders' approval requirement under the Listing Rules. Particulars of the Tenancy Agreement will be disclosed in the annual reports and financial statements of the Company in accordance with the requirements of the Listing Rules.

GENERAL

The principal activities of the Company are investment holding and property investment. The activities of the principal subsidiary companies include property rental, property development, finance, estate management and agency, investment holding, motor vehicle rental, property trading and management service, hotel operation and catering operation.

The principal activity of Tai Sang Bank is banking business.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

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| “associate” | has the same meaning as ascribed thereto in the Listing Rules |
| “Board” | the board of Directors |
| “Building” | Tai Sang Bank Building situated at 130-132 Des Voeux Road Central, Hong Kong |
| “Company” | Tai Sang Land Development Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange |
| “connected person” | has the same meaning as ascribed thereto in the Listing Rules |
| “Directors” | the directors of the Company |
| “family member(s)” | has the same meaning as ascribed thereto in the Listing Rules |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Kam Chan & Co” | Kam Chan & Company, Limited, a company incorporated in Hong Kong with limited liability which is an associate of all the executive Directors and a substantial shareholder directly and indirectly interested in more than 30% of the total number of issued shares of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Premises” | 2nd Floor, 9th Floor, 10th Floor, 11th Floor and 14th Floor of the Building, with a total gross floor area of approximately 10,000 sq. ft. |
| “Previous Tenancy Agreement” | the tenancy agreement entered into between Tai Sang Bank as landlord and the Company as tenant in relation to the leasing of the Premises on 7 April 2014, particulars of which are disclosed in the announcement of the Company dated 7 April 2014 |
| “relative(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Shareholder(s)” | holder(s) of shares of the Company |

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| “sq. ft.” | square feet |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder” | has the meaning ascribed thereto in the Listing Rules |
| “Tai Sang Bank” | Tai Sang Bank Limited, a company incorporated under the laws of Hong Kong with limited liability which is an associate of Kam Chan & Co |
| “Tenancy Agreement” | the tenancy agreement entered into between Tai Sang Bank as landlord and the Company as tenant in relation to the leasing of the Premises on 10 April 2017 |
| “%” | per cent. |

By Order of the Board
Tai Sang Land Development Limited
Katy Ma Ching Man
Company Secretary

Hong Kong, 10 April 2017

As at the date of this announcement, the Board comprises nine Directors, of which Mr William Ma Ching Wai, Mr Patrick Ma Ching Hang, Mr Alfred Ma Ching Kuen, Ms Amy Ma Ching Sau and Mr Philip Ma Ching Yeung, are executive Directors, Mr Edward Cheung Wing Yui, is non-executive Director, and Mr Kevin Chau Kwok Fun, Mr Tan Soo Kiu and Mr Yiu Kei Chung, are independent non-executive Directors.