

Hong Kong Exchange 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.



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)

EXEMPT CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENT

On 4 June 2010, the Company as tenant entered into the New Tenancy Agreement with Tai Sang Bank as landlord, in respect of the leasing of the Premise. Since Tai Sang Bank is a connected person of the Company, the New Tenancy Agreement constitutes a continuing connected transaction of the Company for the purpose of the Listing Rules.

When aggregating the Previous Tenancy Agreements with the New Tenancy Agreement, the aggregate annual consideration payable by the Company is more than HK\$1,000,000 but represents less than 5% of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules. As such, according to Rule 14A.34(1) of the Listing Rules, the New 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.

The Company had in April 2008, February 2009 and July 2009 entered into the Previous Tenancy Agreements to rent certain units at the Building for use as office of the Company. Particulars of the Previous Tenancy Agreements were disclosed in the announcements of the Company dated 14 April 2008, 25 February 2009 and 16 July 2009 and the annual reports of the Company for the years ended 31 December 2008 and 2009 respectively. All the Previous Tenancy Agreements are still valid and existing as at the date of this announcement. As additional office space is required by the Company, the Company had on 4 June 2010 entered into the New Tenancy Agreement to rent an additional office unit in the Building.

THE NEW TENANCY AGREEMENT

On 4 June 2010, the Company as the tenant entered into a tenancy agreement with Tai Sang Bank as the landlord, in respect of the leasing of the Premise. The Premise is an office unit located on the 9th floor of the Building with a gross floor area of approximately 363 sq. ft. The principal terms of the New Tenancy Agreement are as follows:

Parties : Tai Sang Bank as landlord and the Company as tenant

Premise being leased : Room 903 on 9th Floor of the Building

Tenancy term	:	7 June 2010 to 14 April 2011, both days inclusive
Rental	:	HK\$6,530.00 per month, exclusive of rates and service charges
Service charges	:	HK\$ 1,270.50 per month which may be increased by Tai Sang Bank giving to the Company one calendar month's written notice
Deposit	:	HK\$23,401.50 (being three months' rental and service charges), which shall correspondingly be increased in the event of any increase in rent agreed or increase in service charges

The stamp duty and Land Registry registration fee payable in respect of the New Tenancy Agreement shall be borne by Tai Sang Bank and the Company in equal shares.

Upon the signing of the New Tenancy Agreement, the Company paid to Tai Sang Bank the sum of HK\$23,401.50 being the amount of the deposit and the sum of HK\$7,800.50 being the rental and service charges in respect of the first month of the tenancy term payable under the New Tenancy Agreement.

REASON FOR ENTERING INTO THE NEW TENANCY AGREEMENT

The Company requires additional office space for business and operations and intends to rent additional office premise in the same building where its current offices are located.

The terms of the New Tenancy Agreement were negotiated on an arm's length basis and the rental chargeable under the New Tenancy Agreement was determined after taking into account the valuation of the unit market rental chargeable in respect of office units of the Building by an independent valuer as at 27 May 2010 of HK\$18 per sq. ft. per month exclusive of rates and management fees on gross floor area basis 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 New 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.

EXEMPT CONTINUING CONNECTED TRANSACTION

Kam Chan & Co is an associate of Mr. Ma (with Mr. Ma directly and indirectly interested in more than 30% of its issued voting share capital) and a substantial Shareholder directly or indirectly interested in approximately 48.3% of the issued share capital of the Company and is therefore a connected person of the Company under the Listing Rules. Approximately 44.82% of the issued share capital of Tai Sang Bank is held by a wholly-owned subsidiary of Kam Chan & Co with the balance being held by Mr. Ma, his relatives (including certain Directors) or companies controlled by the relatives of Mr. Ma. Tai Sang Bank, being an associate of Kam Chan & Co (with Kam Chan & Co indirectly interested in more than 30% of its issued voting share capital), is therefore also a connected person of the Company under the

Listing Rules. Accordingly, the New Tenancy Agreement constitutes continuing connected transaction of the Company for the purpose of the Listing Rules. In light of the interests of Mr. Ma and certain Directors' interests in Tai Sang Bank as set out above and that all the executive Directors are also directors and shareholders of Kam Chan & Co, all the executive Directors have abstained from voting on the resolution proposed at the board meeting of the Company to approve the New Tenancy Agreement and the transactions contemplated thereunder.

Based on the monthly rental and service charges payable under the Previous Tenancy Agreements and the New Tenancy Agreement (including any future increment in the service charges), it is expected that the aggregate annual maximum amount payable under the Previous Tenancy Agreements and the New Tenancy Agreement for the year ending 31 December 2010 and the period from 1 January 2011 to 14 April 2011 should not exceed HK\$2,770,000 respectively.

When aggregating the Previous Tenancy Agreements with the New Tenancy Agreement, the aggregate annual consideration payable by the Company for the year ending 31 December 2010 is more than HK\$1,000,000 but represents less than 5% of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules. As such, according to Rule 14A.34(1) of the Listing Rules, the New 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 New 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.

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:

“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
“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 Mr. Ma and a substantial Shareholder directly and indirectly interested in approximately 48.3% of the issued share capital of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ma”	Mr. Ma Ching Wai William, the chairman and a substantial Shareholder directly or indirectly interested in approximately 57.3% of the issued share capital of the Company
“New Tenancy Agreement”	the tenancy agreement dated 4 June 2010 entered into between Tai Sang Bank as landlord and the Company as tenant in relation to the leasing of the Premise
“Premise”	Room 903 on 9th Floor of the Building, with a gross floor area of approximately 363 sq. ft.
“Previous Tenancy Agreements”	the five tenancy agreements all dated 14 April 2008, the two tenancy agreements both dated 25 February 2009 and the tenancy agreement dated 16 July 2009 all entered into between Tai Sang Bank as landlord and the Company as tenant in relation to the leasing of various office units in the Building as disclosed in the announcements of the Company dated 14 April 2008, 25 February 2009 and 16 July 2009 respectively
“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
“Shareholder(s)”	holder(s) of shares of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
TAI SANG LAND DEVELOPMENT LIMITED
Ma Ching Man, Katy
Company Secretary

Hong Kong, 4 June 2010

As at the date of this announcement, the Board comprises eleven Directors, of which Mr. Ma Ching Wai, William, Mr. Ma Ching Hang, Patrick, Mr. Ma Ching Kuen, Alfred, Ms. Ma Ching Sau, Amy, Ms. Ma Ching Man, Katy, Ms. Ma Ching Keung, Ruth, and Mr. Ma Ching Yeung, Philip are executive Directors, Mr. Cheung Wing Yui, Edward is a non-executive Director, and Mr. Chau Kwok Fun, Kevin, Mr. Tan Soo Kiu and Mr. Wong Hing Kwok, William are independent non-executive Directors.