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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)

**EXEMPT CONTINUING CONNECTED TRANSACTIONS
TENANCY AGREEMENTS
AND
MASTER LEASING AGREEMENT**

On 31st December 2010, the Company entered into the Existing Tenancies with Kam Cheung. On 31st August 2011, the Company entered into the Master Leasing Agreement with Kam Cheung to set out the principal terms and conditions governing the Leasing Arrangements between Kam Cheung and the Group in the future.

The Relevant Directors are connected persons of the Company under the Listing Rules. As each of the Kam Cheung Minority Shareholders is an associate of the Relevant Directors within the meaning of Rule 14A.11(4)(c)(ii) of the Listing Rules, each of them is a connected person of the Company. As the Kam Cheung Minority Shareholders are together entitled to exercise more than 10% of the voting power at general meetings of Kam Cheung, Kam Cheung being a non wholly-owned subsidiary of the Company is a connected person of the Company under the Listing Rules. The Existing Tenancies and the Leasing Arrangements contemplated under the Master Leasing Agreement therefore constitute continuing connected transactions of the Company under the Listing Rules.

As the aggregate annual consideration payable by the Company in respect of the Existing Tenancies exceeds HK\$1,000,000 but the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is less than 5%, the Existing Tenancies are only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under the Listing Rules.

As certain of the Annual Caps payable by the Group in respect of the Leasing Arrangements contemplated under the Master Leasing Agreement exceed HK\$1,000,000 but the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is less than 5%, the Master Leasing Agreement and the Leasing Arrangements contemplated thereunder are also only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under the Listing Rules.

THE EXISTING TENANCIES

On 31st December 2010, the Company as tenant had entered into the Existing Tenancies with Kam Cheung in respect of the leasing of certain units and car parking spaces of Kam Yuen Mansion. The principal terms of the Existing Tenancies which are all on-going transactions are as follows:

(a) Tenancy in respect of Flat A on 2nd Floor and one car parking space of Kam Yuen Mansion

Tenancy term : One year from 1st January 2011 to 31st December 2011

Rental : HK\$68,000 per month, inclusive of government rates, government rent and management fees

(b) Tenancy in respect of Flat G on 2nd Floor and one car parking space of Kam Yuen Mansion

Tenancy term : One year from 1st January 2011 to 31st December 2011

Rental : HK\$78,000.00 per month, inclusive of government rates, government rent and management fees

(c) Tenancy in respect of Flat F on 3rd Floor and one car parking space of Kam Yuen Mansion

Tenancy term : One year from 1st January 2011 to 31st December 2011

Rental : HK\$80,000.00 per month, inclusive of government rates, government rent and management fees

The rental of the Existing Tenancies were determined with reference to the then prevailing market rental, negotiated on an arm's length basis. Based on the monthly rental under the Existing Tenancies, it is expected that the aggregate amount payable under the Existing Tenancies for the year ending 31st December 2011 will be HK\$2,712,000.

THE MASTER LEASING AGREEMENT

The Company had in the past entered into the Leasing Arrangements (including the Existing Tenancies) with Kam Cheung in the ordinary and usual course of business and it is anticipated that members of the Group may from time to time continue to enter into new Leasing Arrangements with Kam Cheung in the ordinary and usual course of business. As the Leasing Arrangements constitute continuing connected transactions of the Company under the Listing Rules, in compliance with the Listing Rules, Kam Cheung and the Company entered into the Master Leasing Agreement to set out the principal terms and conditions governing the Leasing Arrangements in the future. Set out below are the principal terms of the Master Leasing Agreement:

Date:

31st August 2011

Parties:

Kam Cheung and the Company

Subject Matter:

Pursuant to the Master Leasing Agreement, Kam Cheung agrees to enter into the Leasing Arrangements with members of the Group from time to time during the term of the Master Leasing Agreement. Each Leasing Arrangement will be effected and governed by the relevant tenancy agreement or lease agreement to be entered into between Kam Cheung and members of the Group.

Duration:

The Master Leasing Agreement shall be for a term commencing from 1st September 2011 to 31st December 2013 (both days inclusive) and may be terminated by either party by giving the other party at least one month's written notice of termination.

Consideration and other terms:

Pursuant to the Master Leasing Agreement, the terms of each Leasing Arrangement (including the amount of rental, management and other fees payable by the Group (if any) and the payment terms) shall be on normal commercial terms with reference to the prevailing market rental, negotiated on an arm's length basis and be on similar basis as the relevant members of the Group rent other premises similar to the Premises from other independent third party landlords and shall be on terms which are no less favourable than those offered by Kam Cheung to independent third party tenants.

ANNUAL CAPS

It is expected that the maximum aggregate consideration payable by the Group to Kam Cheung under the Leasing Arrangements contemplated under the Master Leasing Agreement per annum will not exceed the amount set out below (the "Annual Caps"):

For the period from 1st September 2011 to 31st December 2011	For the year ending 31st December 2012	For the year ending 31st December 2013
HK\$280,000	HK\$3,700,000	HK\$4,000,000

The above Annual Caps were determined after taking into account the number of tenancy agreements or lease agreements expected to be entered into under the Master Leasing Agreement during the relevant periods and the possible increment in the rental upon renewal of the Existing Tenancies.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENTS AND THE MASTER LEASING AGREEMENT

The Existing Tenancies and the Master Leasing Agreement were entered into for the provision of quarters to the senior management and executive directors of the Company and it is in the commercial interests of the Group to lease properties within the Group's portfolio for provision of quarters to the senior management and executive directors of the Company.

The Directors (including the independent non-executive Directors) considered that the Existing Tenancies are entered into in the ordinary and usual course of business of the Company, the Leasing Arrangements had been and will continue to be entered into by members of the Group in the ordinary and usual course of business of the Group, the Existing Tenancies and the Master Leasing Agreement have been negotiated on an arm's length basis and are on normal commercial terms and both the terms of the Existing Tenancies and the Master Leasing Agreement and the Annual Caps are fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

The Relevant Directors are connected persons of the Company under the Listing Rules. As certain relatives of the Relevant Directors who are persons referred to in Rule 14A.11(4)(c)(i) of the Listing Rules together exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors of each of the Kam Cheung Minority Shareholders, each of the Kam Cheung Minority Shareholders is an associate of the Relevant Directors within the meaning of Rule 14A.11(4)(c)(ii) of the Listing Rules and each of them is thus a connected person of the Company. As the Kam Cheung Minority Shareholders are together entitled to exercise more than 10% of the voting power at general meetings of Kam Cheung, Kam Cheung being a non wholly-owned subsidiary of the Company is a connected person of the Company under the Listing Rules. The Existing Tenancies and the Leasing Arrangements contemplated under the Master Leasing Agreement therefore constitute continuing connected transactions of the Company under the Listing Rules. In light that the Kam Cheung Minority Shareholders are associates of the Relevant Directors as set out above, all the Relevant Directors have abstained from voting on the resolutions proposed at the board meeting of the Company to approve the Master Leasing Agreement and the transactions contemplated thereunder and the Annual Caps.

As the aggregate annual consideration payable by the Company in respect of the Existing Tenancies exceeds HK\$1,000,000 but the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is less than 5%, the Existing Tenancies are only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under the Listing Rules.

As certain of the Annual Caps payable by the Group in respect of the Leasing Arrangements contemplated under the Master Leasing Agreement exceed HK\$1,000,000 but the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is less than 5%, the Master Leasing

Agreement and the Leasing Arrangements contemplated thereunder are also only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under 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 Kam Cheung is property investment.

DEFINITIONS

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

“Annual Caps”	the annual cap amounts in respect of the Master Leasing Agreement for the four months period ending 31st December 2011 and the two years ending 31st December 2012 and 2013, the particulars of which are set out in the section titled “Annual Caps” in this announcement
“associate”	has the meaning ascribed to it under the Listing Rules
“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 of Hong Kong Limited
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“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 Cheung”	Kam Cheung Investment Company Limited, a company incorporated in Hong Kong with limited liability and a 75% owned subsidiary of the Company

“Kam Cheung Minority Shareholders”	Champion Enterprises Limited and Chiu Kee Company, Limited, being companies in which certain relatives of the Relevant Directors who are persons referred to in Rule 14A.11(4)(c)(i) of the Listing Rules together exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors respectively
“Kam Yuen Mansion”	the building known as Kam Yuen Mansion located at No.3 Old Peak Road, Hong Kong
“Leasing Arrangements”	the particular occasions of leasing of the Premises by members of the Group from Kam Cheung
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Leasing Agreement”	the master leasing agreement dated 31st August 2011 entered into between Kam Cheung and the Company
“Premises”	the premises owned by Kam Cheung from time to time
“Relevant Directors”	Mr. William Ma Ching Wai, Mr. Patrick Ma Ching Hang, Mr. Alfred Ma Ching Kuen, Mr. Philip Ma Ching Yeung, Ms. Amy Ma Ching Sau, Ms. Katy Ma Ching Man and Ms. Ruth Ma Ching Keung, all being executive Directors
“Existing Tenancies”	the three tenancies all entered into between Kam Cheung as landlord and the Company as tenant on 31st December 2010 in relation to the leasing of certain units and car parking spaces of Kam Yuen Mansion by the Company from Kam Cheung
“%”	per cent.

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

Hong Kong, 31st August 2011

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 non-executive Director, and Mr. Chau Kwok Fun, Kevin, Mr. Tan Soo Kiu and Mr. Wong Hing Kwok, William are independent non-executive Directors.