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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 7 April 2014, 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 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 2014 and under the Tenancy Agreement for each of the two years ending 31 December 2015 and 2016 and for the period from 1 January 2017 to 14 April 2017 respectively is more than HK\$1,000,000 but some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the Tenancy Agreement is only subject to the reporting, announcement and annual review requirements under the Listing Rules and 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 7 April 2014, 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:

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 2014 to 14 April 2017, both days inclusive
Rental	:	HK\$320,000 per month, exclusive of rates, air-conditioning charges and management fee
Air-conditioning charges and management fee	:	HK\$42,000 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\$1,086,000 being three months' rental and air-conditioning charges and management fee
Rent free period	:	2 months from 15 April 2014 to 14 May 2014 and from 15 March 2017 to 14 April 2017

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\$261,000 being the balance of deposit payable under the Tenancy Agreement as referred to above after setting off against the aggregate deposit of HK\$825,000 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 2011 to 14 April 2014 for use as its office. As the Previous Tenancy Agreement shall expire on 14 April 2014, the Tenancy Agreement is entered into for the purposes 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 advice and valuation of independent valuers in March 2014 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, being a company in which 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 its general meetings as well as a substantial Shareholder directly or indirectly interested in more than 30% of the total number of issued shares of the Company, is a connected person of the Company. As more than 30% of the total number of 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 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 2014 and under the Tenancy Agreement for each of the two years ending 31 December 2015 and 2016 and for the period from 1 January 2017 to 14 April 2017 should not exceed HK\$3,600,000, HK\$4,500,000, HK\$4,500,000 and HK\$1,400,000 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 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 2014 and under the Tenancy Agreement for each of the two years ending 31 December 2015 and 2016 and for the period from 1 January 2017 to 14 April 2017 respectively is more than HK\$1,000,000 but some of the applicable percentage ratios calculated pursuant Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the Tenancy Agreement is only subject to the reporting, announcement and annual review requirements under the Listing Rules and 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 and hotel 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:

“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 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 dated 13 April 2011 entered into between Tai Sang Bank as landlord and the Company as tenant in relation to the leasing of the Premises, particulars of which are disclosed in the announcement of the Company dated 13 April 2011
“Shareholder(s)”	holder(s) of shares of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 and the executive Directors
“Tenancy Agreement”	the tenancy agreement dated 7 April 2014 entered into between Tai Sang Bank as landlord and the Company as tenant in relation to the leasing of the Premises
“%”	per cent.

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

Hong Kong, 7 April 2014

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 William Wong Hing Kwok, are Independent Non-Executive Directors.