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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)

DISCLOSEABLE TRANSACTIONS
DISPOSALS OF THE PROPERTIES

On 3 July 2009, the Vendors and the Purchaser entered into the Disposal Agreements pursuant to which the Vendors agreed to sell and the Purchaser agreed to purchase the Properties for an aggregate consideration of HK\$110,093,000 upon the terms set out in the Disposal Agreements.

On the same day, the Vendors and the Purchaser entered into the Allowance Agreements in implementation of the Urban Renewal Strategy pursuant to which the Purchaser agreed to pay the Allowances in an aggregate amount of HK\$13,491,100 to the Vendors immediately after the completion of the Disposals subject to the conditions and in the manner set out in the Allowance Agreements.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the aggregate amount receivable by the Group under the Disposal Agreements and the Allowance Agreements exceed 5% but are less than 25%, the Disposals and payment of the Allowances constitute discloseable transactions for the Company under the Listing Rules.

THE DISPOSAL AGREEMENTS

The Company announced on 17 April 2009 that the Vendors had accepted the offers from the Purchaser to purchase, subject to contract, the Properties. On 3 July 2009, the Vendors and the Purchaser entered into the Disposal Agreements pursuant to which the Vendors agreed to sell and the Purchaser agreed to purchase the Properties for an aggregate consideration of HK\$110,093,000. The principal terms of the Disposal Agreements are as follows:

(a) ***First Disposal Agreement***

1. **Date**

3 July 2009

2. **Parties**

Tai Fung Investment Company Limited as vendor and Urban Renewal Authority as purchaser.

The First Vendor is a 65% owned subsidiary of the Company with the remaining 35% interest owned by 3 companies controlled by the relatives of all the executive Directors and a deceased relative of all the executive Directors.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Listing Rules.

3. **Assets to be disposed of**

Pursuant to the First Disposal Agreement, the First Vendor agreed to sell and the Purchaser agreed to purchase the First Disposal Properties. The First Disposal Properties were originally intended to be held by the First Vendor for long term investment purpose. Their aggregate fair value as at 31 December 2008 as contained in the valuation report issued by an independent valuer was HK\$64,550,000. The valuations were conducted on an open market basis.

4. **Consideration**

The aggregate consideration for the First Disposal Properties amounts to HK\$107,830,000 and shall be payable by the Purchaser to the First Vendor in the following manner:

- (i) a deposit of HK\$10,783,000 and a part payment of the consideration of HK\$25,349,120 shall be payable on the signing of the First Disposal Agreement; and
- (ii) the balance of the consideration of HK\$71,697,880 shall be payable upon completion of the First Disposal Agreement.

The aggregate consideration of HK\$107,830,000 was an offer made by the Purchaser and accepted by the First Vendor.

5. **Completion**

Completion of the First Disposal Agreement shall take place one month after the signing of such agreement.

(b) *Second Disposal Agreement*

1. **Date**

3 July 2009

2. **Parties**

TSL Construction and Engineering Limited as vendor and Urban Renewal Authority as purchaser.

The Second Vendor is a wholly-owned subsidiary of the Company.

3. **Assets to be disposed of**

Pursuant to the Second Disposal Agreement, the Second Vendor agreed to sell and the Purchaser agreed to purchase the Second Disposal Property. The Second Disposal Property was originally intended to be held by the Second Vendor for long term investment purpose. Its fair value as at 31 December 2008 as contained in the valuation report issued by an independent valuer was HK\$650,000. The valuation was conducted on an open market basis.

4. **Consideration**

The consideration for the Second Disposal Property amounts to HK\$818,000 and shall be payable by the Purchaser to the Second Vendor in the following manner:

- (i) a deposit of HK\$81,800 and a part payment of the consideration of HK\$384,610 shall be payable on the signing of the Second Disposal Agreement; and
- (ii) the balance of the consideration of HK\$351,590 shall be payable upon completion of the Second Disposal Agreement.

The consideration of HK\$818,000 was an offer made by the Purchaser and accepted by the Second Vendor.

5. **Completion**

Completion of the Second Disposal Agreement shall take place one month after the signing of such Agreement.

(c) ***Third Disposal Agreement***

1. **Date**

3 July 2009

2. **Parties**

Konca Investment Limited as vendor and Urban Renewal Authority as purchaser.

The Third Vendor is a wholly-owned subsidiary of the First Vendor, which in turn is a 65% owned subsidiary of the Company.

3. **Assets to be disposed of**

Pursuant to the Third Disposal Agreement, the Third Vendor agreed to sell and the Purchaser agreed to purchase the Third Disposal Properties. The Third Disposal Properties were originally intended to be held by the Third Vendor for long term investment purpose. Their aggregate fair value as at 31 December 2008 as contained in the valuation report issued by an independent valuer was HK\$450,000. The valuation was conducted on an open market basis.

4. **Consideration**

The aggregate consideration for the Third Disposal Properties amounts to HK\$1,445,000 and shall be payable by the Purchaser to the Third Vendor in the following manner:

- (i) a deposit of HK\$144,500 and a part payment of the consideration of HK\$332,200 shall be payable on the signing of the Third Disposal Agreement; and
- (ii) the balance of the consideration of HK\$968,300 shall be payable upon completion of the Third Disposal Agreement.

The aggregate consideration of HK\$1,445,000 was an offer made by the Purchaser and accepted by the Third Vendor.

5. **Completion**

Completion of the Third Disposal Agreement shall take place one month after the signing of such agreement.

(d) *Other terms of the Disposal Agreements*

The Purchaser may at its absolute discretion set aside from the balance of the consideration an amount of not less than HK\$524,290 pursuant to the First Disposal Agreement, HK\$8,066 pursuant to the Second Disposal Agreement and HK\$5,000 pursuant to the Third Disposal Agreement as the costs and expenses necessary to be incurred in order to comply with any notice or order from any government or other competent authority or the manager or owners' corporation of Yue Wah Mansion and for the demolition of unauthorized or illegal structure(s) or alteration(s) in respect of the Properties.

In the event that the apportionment account in respect of the Properties cannot be settled on completion, the Purchaser may at its absolute discretion set aside from the balance of the consideration an amount of not less than HK\$2,000 per unit pursuant to each of the Disposal Agreements to be stakeheld by the Purchaser's solicitors on account for settlement of the relevant apportionment account.

THE ALLOWANCE AGREEMENTS

On 3 July 2009, the Vendors and the Purchaser also entered into the Allowance Agreements in implementation of the Urban Renewal Strategy. Pursuant to the Allowance Agreements, the Allowances, which amount to HK\$13,491,100 in aggregate shall only be payable by the Purchaser to the Vendors after completion of the Disposals in accordance with the Disposal Agreements. The Allowances shall cease to be payable if the relevant Disposal Agreement is terminated or rescinded for any reason.

Subject to the completion of the Disposals, the Purchaser shall pay the following Allowances to each of the Vendors in one lump sum immediately after the completion of the Disposals:

	First Vendor	Second Vendor	Third Vendor
Supplementary allowance	HK\$ 1,424,000	HK\$649,000	—
Incidental cost allowance	HK\$ 5,437,400	HK\$ 87,700	—
Ex-gratia allowance	<u>HK\$ 5,749,000</u>	<u>—</u>	<u>HK\$144,000</u>
Total Allowances	<u><u>HK\$12,610,400</u></u>	<u><u>HK\$736,700</u></u>	<u><u>HK\$144,000</u></u>

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Properties are originally intended to be held as investment properties for rental income by the Vendors. However, given the Board is of the view that the consideration under the Disposal Agreements together with the Allowances offered by the Purchaser are fair and reasonable, the Board considers the terms of the Disposal Agreements and the Allowance Agreements are fair and reasonable and are made in the interests of the shareholders of the Company as a whole.

The Disposals and the payment of Allowances (excluding incidental cost allowances) are expected to result in an estimated gain before tax of approximately HK\$52.1 million to the Group as compared to the aggregate fair value of the Properties as at 31 December 2008. The net profits before and after taxation and extraordinary items attributable to the Properties for the financial year ended (i) 31 December 2007 are HK\$1,591,110 and HK\$1,309,711 respectively; and (ii) 31 December 2008 are HK\$1,948,817 and HK\$1,626,788 respectively.

USE OF PROCEEDS

The aggregate net proceeds from the Disposal Agreements and the Allowance Agreements is estimated to be approximately HK\$122.8 million and is intended to be used for the Group's general working capital.

GENERAL

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

So far as the Directors are aware, the Purchaser is principally engaged in redevelopment and preservation projects in Hong Kong.

DISCLOSEABLE TRANSACTIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the aggregate amount receivable by the Group under the Disposal Agreements and the Allowance Agreements exceed 5% but are less than 25%, the Disposals and the payment of Allowances constitute discloseable transactions for the Company under the Listing Rules.

DEFINITIONS

“Allowances”	the allowances payable by the Purchaser to the Vendors in the manner set out in the Allowance Agreements
“Allowance Agreements”	the First Allowance Agreement, the Second Allowance Agreement and the Third Allowance Agreement
“Board”	the board of Directors
“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
“Directors”	the directors of the Company
“Disposal Agreements”	the First Disposal Agreement, the Second Disposal Agreement and the Third Disposal Agreement
“Disposals”	the disposals of the Properties pursuant to the Disposal Agreements
“First Allowance Agreement”	the agreement dated 3 July 2009 between the First Vendor and the Purchaser pursuant to which the Purchaser shall pay Allowances to the First Vendor immediately after the completion of the First Disposal Agreement in implementation of the Urban Renewal Strategy
“First Disposal Agreement”	the agreement for sale and purchase dated 3 July 2009 between the First Vendor and the Purchaser in relation to the disposal by the First Vendor of the First Disposal Properties
“First Disposal Properties”	Shop B and C on Upper Ground Floor, Flats 11, 12, 14, 16, 17, 19 to 21, 23 and 24 on the Second Floor, Flats 16 to 21, 27 and 28 on the Third Floor, Flats 3, 8, 9, 17 to 21 and 23 to 28 on the Fourth Floor, Flats 1, 4 to 10, 13 to 23 and 27 on the Fifth Floor and Flats 1, 14, 16, 17, 19 to 21, 24, 26 and 28 on the Sixth Floor and Spaces Under Stairs of Yue Wah Mansion

“First Vendor”	Tai Fung Investment Company Limited, a company incorporated in Hong Kong with limited liability, which is a 65% owned subsidiary of the Company with the remaining 35% interest owned by 3 companies controlled by the relatives of all the executive Directors and a deceased relative of all the executive Directors
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Properties”	the First Disposal Properties, the Second Disposal Property and the Third Disposal Properties
“Purchaser”	Urban Renewal Authority, a body corporate established under and by virtue of the Urban Renewal Authority Ordinance (Chapter 563 of the Laws of Hong Kong)
“Second Allowance Agreement”	the agreement dated 3 July 2009 between the Second Vendor and the Purchaser pursuant to which the Purchaser shall pay Allowances to the Second Vendor immediately after the completion of the Second Disposal Agreement in implementation of the Urban Renewal Strategy
“Second Disposal Agreement”	the agreement for sale and purchase dated 3 July 2009 between the Second Vendor and the Purchaser in relation to the disposal by the Second Vendor of the Second Disposal Property
“Second Disposal Property”	Flat 1 on the Fourth Floor of Yue Wah Mansion
“Second Vendor”	TSL Construction and Engineering Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company

“Third Allowance Agreement”	the agreement dated 3 July 2009 between the Third Vendor and the Purchaser pursuant to which the Purchaser shall pay Allowances to the Third Vendor immediately after the completion of the Third Disposal Agreement in implementation of the Urban Renewal Strategy
“Third Disposal Agreement”	the agreement for sale and purchase dated 3 July 2009 between the Third Vendor and the Purchaser in relation to the disposal by the Third Vendor of the Third Disposal Properties
“Third Disposal Properties”	the Roof and the Exteriors of the Side Walls of Yue Wah Mansion
“Third Vendor”	Konca Investment Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the First Vendor
“Urban Renewal Strategy”	the Urban Renewal Strategy prepared by the Secretary for Development which contains guidelines on the carrying out of urban renewal in Hong Kong
“Vendors”	the First Vendor, the Second Vendor and the Third Vendor
“Yue Wah Mansion”	Yue Wah Mansion which is located at Nos. 407 to 431 Kwun Tong Road and Nos. 34 to 62 Yue Man Square, Kowloon, Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 3 July 2009

As at the date of this announcement, members of the Board comprised 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.