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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Tai Sang Land Development Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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 TRANSACTION**  
**DISPOSAL OF AN INVESTMENT PROPERTY**

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A letter from the Board is set out on pages 2 to 6 of this circular.

19 November 2007

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“Board”	the board of Directors
“Buyer”	Global Enterprises Development Limited
“Company”	Tai Sang Land Development Limited
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property pursuant to the Formal Agreement
“Formal Agreement”	the formal sale and purchase agreement dated 13 November 2007 entered into between the Seller and the Buyer in relation to the sale and purchase of the Property
“Group”	the Company and its subsidiary companies
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 November 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Property”	the residential property situated at House A2 (also known as M8) of Floral Villas, No.18 Tso Wo Road, Tso Wo Hang, Sai Kung, New Territories, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement dated 29 October 2007 entered into between the Seller and the Buyer in relation to the sale and purchase of the Property
“Seller”	Chi Ho Investment Company Limited, a wholly-owned subsidiary of the Company
“Shares”	shares of HK\$1.00 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. William Ma Ching Wai (*Chairman*)  
Mr. Patrick Ma Ching Hang (*Deputy Chairman*)  
Mr. Alfred Ma Ching Kuen (*Managing Director*)  
Ms. Amy Ma Ching Sau (*Managing Director*)  
Ms. Katy Ma Ching Man  
Ms. Ruth Ma Ching Keung  
Mr. Philip Ma Ching Yeung

*Registered Office:*

26th to 28th Floors  
Tai Sang Commercial Building  
24-34 Hennessy Road  
Hong Kong

*Non-executive Director:*

Mr. Edward Cheung Wing Yui

*Independent Non-executive Directors:*

Mr. Kevin Chau Kwok Fun  
Mr. Tan Soo Kiu  
Mr. William Wong Hing Kwok

19 November 2007

*To the Shareholders,*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF AN INVESTMENT PROPERTY**

**INTRODUCTION**

The Board announced on 29 October 2007 that the Seller and the Buyer entered into the Provisional Agreement pursuant to which the Seller has agreed to sell the Property to the Buyer at the consideration of HK\$69,388,000. Subsequently, the parties had on 13 November 2007 entered into the Formal Agreement.

As the applicable percentage ratio for the Disposal calculated pursuant to Rule 14.07(4) exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide the Shareholders with further details of the Disposal.

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## LETTER FROM THE BOARD

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### THE PROVISIONAL AGREEMENT AND THE FORMAL AGREEMENT

#### 1. The Provisional Agreement

Date: 29 October 2007

Parties: Seller: Chi Ho Investment Company Limited, a wholly-owned subsidiary of the Company

Buyer: Global Enterprises Development Limited. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, as at the Latest Practicable Date, the Buyer and its ultimate beneficial owners are independent of the Company and its connected persons as defined under the Listing Rules.

#### 2. The Formal Agreement

Date: 13 November 2007

Parties: Seller: Chi Ho Investment Company Limited, a wholly-owned subsidiary of the Company

Buyer: Global Enterprises Development Limited

#### 3. Asset to be disposed of

The Seller has pursuant to the Provisional Agreement and subsequently the Formal Agreement agreed to sell the Property to the Buyer. The Property is located at No.18 Tso Wo Road, Tso Wo Hang, Sai Kung, New Territories, Hong Kong and comprises a newly developed residential property, the occupation permit of which was issued on 18 July 2007. As at the Latest Practicable Date, no rental agreement in respect of the Property has been entered into. The Property was originally intended to be held by the Seller for investment purpose and its fair value as at 19 July 2007 as contained in the valuation report issued by an independent valuer was HK\$34.5 million. The valuation was done on an open market basis.

#### 4. Consideration

The consideration for the Property is HK\$69,388,000 and shall be or has been (as the case may be) paid by the Buyer to the Seller in the following manner:

- (a) the sum of HK\$3,469,400 (the “**Initial Deposit**”) had been paid upon the signing of the Provisional Agreement;
- (b) a further sum of HK\$3,469,400 (together with the Initial Deposit collectively referred to as the “**Deposits**”) had been paid on 13 November 2007, being the date of signing of the Formal Agreement; and

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## LETTER FROM THE BOARD

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- (c) the balance of the consideration in the sum of HK\$62,449,200 (the “**Balance**”) to be paid on or before 15 January 2008.

The consideration of HK\$69,388,000 was an offer made by the Buyer and accepted by the Seller.

The consideration represents an excess of approximately HK\$58.7 million over the carrying amount of the Property as at 30 June 2007 and an excess of approximately HK\$34.9 million over the fair value of the Property as at 19 July 2007.

### 5. **Completion**

The Formal Agreement in respect of the Property was entered into between the Buyer and the Seller on 13 November 2007 subsequent to the Provisional Agreement and completion of the sale and purchase of the Property is to take place on or before 15 January 2008.

If the Buyer fails to make payment of any further payments or the Balance in accordance with the payment terms set out above or to complete the purchase of the Property, the Seller shall be entitled either to terminate the Formal Agreement by a notice in writing or to exercise its right to enforce specific performance of the Formal Agreement. Upon the termination of the Formal Agreement, the Seller may resell the Property to other party and the Seller shall forfeit all the amount of the Deposits already paid by the Buyer, (but without prejudice to the Seller’s right to claim against the Buyer for damages over and above the Deposits so forfeited) as well as to claim the Buyer for legal costs incurred.

### **FINANCIAL EFFECTS OF THE DISPOSAL**

#### **(i) Gain on the Disposal**

According to the unaudited condensed consolidated interim financial statements of the Group, the net book value of the Property was HK\$10.7 million as at 30 June 2007, grouped under properties under development. The fair value of the Property was HK\$34.5 million as at 19 July 2007 in accordance with the valuation conducted by AA Property Services Limited, an independent property valuer, on the Property. Accordingly, the Disposal would give rise to a gain before taxes of approximately HK\$31 million for the Group based on its fair value as at 19 July 2007 and the direct expenses attributable to the Disposal of approximately HK\$3.4 million. The gain before taxes is not yet finalized and will be subject to further review during the final audit of the Group.

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## LETTER FROM THE BOARD

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### (ii) **Asset value**

On the basis of the net book value of the Property as at 30 June 2007, the consideration represents an excess of approximately HK\$58.7 million over the carrying amount of the Property as at 30 June 2007. After deducting further costs on development and renovation payable of approximately HK\$4.3 million and the direct expenses of approximately HK\$3.4 million, the total assets of the Group as at 30 June 2007 would have been increased by approximately HK\$51 million.

### (iii) **Liability**

The Group's total liabilities as at 30 June 2007 would not be affected by the Disposal.

### (iv) **Earnings**

The development of the Property was just completed and no rental agreement has yet been solicited, therefore no rental income has been derived from the Property for the year ended 31 December 2006.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Property was originally intended to be held as an investment property for rental income by the Seller. However, given the Board is of the view that the consideration offered by the Buyer, about two times of the valuation of the Property, is attractive, the Board considers the terms of the Disposal are fair and reasonable and are made in the interests of the Shareholders as a whole.

The completion of the sale and purchase of the Property is expected to result in an estimated gain before taxes of approximately HK\$31 million to the Group as compared to the fair value of the Property as at 19 July 2007.

## **USE OF PROCEEDS**

The net proceeds from the Disposal is estimated to be approximately HK\$66 million and is intended to be used for the Group's general working capital.

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## LETTER FROM THE BOARD

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### GENERAL

The principal activity of the Company is 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.

So far as the Directors are aware, the principal activities of the Buyer are investment and general trading.

### ADDITIONAL INFORMATION

Additional information is set out in the appendix of this circular for your information.

Yours faithfully,  
By Order of the Board  
**Tai Sang Land Development Limited**  
**William Ma Ching Wai**  
*Chairman*



## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF DIRECTORS' INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### *Interest in Shares*

Name of Director	Personal interest	Corporate interest <i>(Notes (a) &amp; (b))</i>	Joint interest <i>(Note (c))</i>	Total	Approx. %
William Ma Ching Wai	4,668,254	160,134,973	38,115	164,841,342	57.3023
Patrick Ma Ching Hang	261	8,732,013	38,115	8,770,389	3.0488
Alfred Ma Ching Kuen	7,200	—	—	7,200	0.0025
Amy Ma Ching Sau	20,570	—	—	20,570	0.0072
Katy Ma Ching Man	97,767	—	—	97,767	0.0340
Ruth Ma Ching Keung	47,828	—	—	47,828	0.0166
Philip Ma Ching Yeung	101,732	—	—	101,732	0.0354

*Interest in shares of associated corporations*

<b>Name of associated corporation</b> <i>(Note (d))</i>	<b>Name of Director</b>	<b>Personal interest</b>	<b>Joint interest</b> <i>(Note (e))</i>	<b>Total</b>	<b>Approx. %</b>
Tai Sang Cold Storage & Godown Company Limited	Alfred Ma Ching Kuen	9,886	—	9,886	0.1765
Kam Hang Company Limited	Patrick Ma Ching Hang	—	47	47	0.94
Kam Hang Company Limited	Katy Ma Ching Man	—	47	47	0.94
Kam Hang Company Limited	Alfred Ma Ching Kuen	23	—	23	0.46

*Notes:*

- (a) Kam Chan & Company, Limited and its associates and Holston Investment Limited directly or indirectly owned 138,996,736 and 21,138,237 Shares respectively. Mr. William Ma Ching Wai is a substantial shareholder of these companies.
- (b) Tai Sang International Limited directly owned 8,732,013 Shares. Mr. Patrick Ma Ching Hang is a substantial shareholder of this company.
- (c) These 38,115 Shares are jointly held by Mr. William Ma Ching Wai and Mr. Patrick Ma Ching Hang.
- (d) Tai Sang Cold Storage & Godown Company Limited and Kam Hang Company Limited are subsidiaries of the Company.
- (e) These 47 shares in Kam Hang Company Limited are jointly held by Mr. Patrick Ma Ching Hang and Ms. Katy Ma Ching Man.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange.

## 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as were known to the Directors and chief executive of the Company, the following parties (other than the Directors or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Personal interest	Corporate interest (Note)	Total	Approx. %
Kam Chan & Company, Limited	112,248,758	26,747,978	138,996,736	48.3182
Holston Investment Limited	21,138,237	—	21,138,237	7.3481
Gold Fortune Investment Co., Ltd.	15,488,636	—	15,488,636	5.3842

All interests stated above represent long positions.

*Note:* Gold Fortune Investment Co., Ltd., Suremark Limited (beneficially interested in 5,852,920 Shares) and Montgomery Securities Limited (beneficially interested in 5,406,422 Shares) are wholly-owned subsidiaries of Kam Chan & Company, Limited. Kam Chan & Company, Limited is therefore deemed to be interested in the Shares beneficially owned by these companies.

As at the Latest Practicable Date, so far as were known to the Directors and chief executive of the Company, the following parties (other than the Directors or chief executive of the Company) were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Name of subsidiary	Name of shareholder	Approx. %
Kam Cheung Investment Company Limited	Chiu Kee Company Limited	15
	Champion Enterprises Limited	10
On Ah Enterprises Limited	Champion Enterprises Limited	10
	Ma's Enterprises Co Ltd	10
	Ma Kam Ming, deceased	10
		10
Pentacontinental Land Investment Co Ltd	Chiu Kee Company Limited	18
	Champion Enterprises Limited	10
Tai Fung Investment Company Limited	Champion Enterprises Limited	10
	Ma's Enterprises Co Ltd	10
	Ma Kam Ming, deceased	10
		10
Tai Sang Cold Storage & Godown Company Limited	Heptacontinental Development Co Ltd	19
	Champion Enterprises Limited	10

Save as disclosed above, as at the Latest Practicable Date, according to the register of interests kept by the Company under section 336 of the SFO and so far as were known to the Directors and chief executive of the Company, no other person (other than the Directors or chief executive of the Company) had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

#### **5. COMPETING INTERESTS OF THE DIRECTORS**

As at the Latest Practicable Date, all Directors except the non-executive Directors are directors and shareholders of Kam Chan & Company, Limited, which is also engaged in property development and property investment, and may be in competition with the business carried on by the Group.

The Board is of the view that the Group is capable of carrying on its businesses independently from the property development and property investment businesses of Kam Chan & Company, Limited. When making decisions on the property development and property investment businesses, the relevant Directors, in the performance of their duties as directors of the Company, have acted and will continue to act in the best interests of the Group.

Save as disclosed above, as at the Latest Practicable Date, so far as were known to the Directors, none of the Directors, and their respective associates was considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group pursuant to the Listing Rules.

#### **6. LITIGATION**

So far as the Directors are aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries are engaged in any litigation or claims of material importance and no litigation or claim of material importance was pending or threatened against any members of the Group.

**7. GENERAL**

- (a) The registered office of the Company is at 26th to 28th Floors, Tai Sang Commercial Building, 24-34 Hennessy Road, Hong Kong.
- (b) The company secretary of the Company is Ms. Katy Ma Ching Man, who joined the Company and was appointed as the Director and company secretary of the Company in 1972. She holds a bachelor degree in Arts.
- (c) The qualified accountant of the Company is Ms. Tang Mei Yee, who holds a master degree in Language and Law and is a member of The Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered and Certified Accountants, the United Kingdom and a member of The Hong Kong Institute of Chartered Secretaries.
- (d) The share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong whose address is the address of the transfer office of the Company.
- (e) The English text of this circular shall prevail over the Chinese text.