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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**

On 25 February 2009, the Company as tenant entered into the New Tenancy Agreements 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 New Tenancy Agreements constitute continuing connected transactions of the Company for the purpose of the Listing Rules.

The annual consideration payable by the Company under the New Tenancy Agreements represents more than HK\$1,000,000 but less than 2.5% of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules and when aggregating the Previous Tenancy Agreements with the New Tenancy Agreements, the aggregate annual consideration payable by the Company also represents more than HK\$1,000,000 but less than 2.5% 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 Agreements are only subject to the reporting, announcement and annual review requirements under the Listing Rules but are exempted from the independent shareholders' approval requirements under the Listing Rules.

The Company had in April 2008 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 announcement of the Company dated 14 April 2008. As additional office space is required by the Company, the Company had on 25 February 2009 entered into the New Tenancy Agreements to rent additional office units in the Building.

## THE NEW TENANCY AGREEMENTS

On 25 February 2009, the Company as tenant entered into two tenancy agreements with Tai Sang Bank as landlord, in respect of the leasing of the Premises. The principal terms of the New Tenancy Agreements are as follows:

(a) *Tenancy agreement dated 25 February 2009 in respect of Rooms 1402, 1405 and 1406 on 14th Floor of the Building*

Parties	: Tai Sang Bank as landlord and the Company as tenant
Premises being leased	: Rooms 1402, 1405 and 1406 on 14th Floor of the Building
Tenancy term	: 1 March 2009 to 14 April 2011
Rental	: HK\$11,440 per month, exclusive of rates and service charges
Service charges	: HK\$2,502.50 per month, which may be increased by Tai Sang Bank giving to the Company one calendar month's written notice
Deposit	: HK\$41,827.50 being three months' rental and service charges
Rent free period	: 1 March 2009 to 31 March 2009 and 15 March 2011 to 14 April 2011

(b) *Tenancy agreement dated 25 February 2009 in respect of Room 904 on 9th Floor of the Building*

Parties	: Tai Sang Bank as landlord and the Company as tenant
Premises being leased	: Room 904 on 9th Floor of the Building
Tenancy term	: 1 March 2009 to 14 April 2011
Rental	: HK\$2,912 per month exclusive of rates and service charges
Service charges	: HK\$637 per month, which may be increased by Tai Sang Bank giving to the Company one calendar month's written notice

Deposit : HK\$10,647 being three months' rental and service charges

Rent free period : 1 March 2009 to 31 March 2009 and 15 March 2011 to 14 April 2011

The aggregate gross floor area of Rooms 1402, 1405 and 1406 on 14th Floor of the Building is 715 sq. ft. and the gross floor area of Room 904 on 9th Floor of the Building is 182 sq. ft..

The stamp duty payable in respect of the New Tenancy Agreements shall be borne by Tai Sang Bank and the Company in equal shares.

Upon the signing of the New Tenancy Agreements, the Company paid to Tai Sang Bank the sum of HK\$52,474.50 being the aggregate amount of the deposits payable under the New Tenancy Agreements as referred to above.

### **REASONS FOR ENTERING INTO THE NEW TENANCY AGREEMENTS**

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

The terms of the New Tenancy Agreements were negotiated on an arm's length basis and the rental chargeable under the New Tenancy Agreements were 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 13 February 2009 of HK\$15 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 but excluding Mr Cheung Wing Yui, a non-executive Director who is currently aboard) consider that the New Tenancy Agreements are entered into in the ordinary and usual course of business of the Company, and their 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 Agreements constitute continuing connected transactions of the Company for the purpose of the Listing Rules.

Based on the monthly rental and service charges payable under the Previous Tenancy Agreements and the New Tenancy Agreements (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 Agreements for each of the three years ending 31 December 2009, 2010 and 2011 should not exceed HK\$2,700,000.

The annual consideration payable by the Company under the New Tenancy Agreements represents more than HK\$1,000,000 but less than 2.5% of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules and when aggregating the Previous Tenancy Agreements with the New Tenancy Agreements, the aggregate annual consideration payable by the Company also represents more than HK\$1,000,000 but less than 2.5% 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 Agreements are only subject to the reporting, announcement and annual review requirements under the Listing Rules but are exempted from the independent shareholders' approval requirements under the Listing Rules. Particulars of the New Tenancy Agreements 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 its 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 of the Company and a substantial Shareholder directly or indirectly interested in approximately 57.3% of the issued share capital of the Company
“New Tenancy Agreements”	the two tenancy agreements both dated 25 February 2009 entered into between Tai Sang Bank as landlord and the Company as tenant in relation to the leasing of the Premises

“Premises”	Room 904 on 9th Floor of the Building and Rooms 1402, 1405 and 1406 on 14th Floor of the Building, with a total gross floor area of 897 sq. ft.
“Previous Tenancy Agreements”	the five tenancy agreements all dated 14 April 2008 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 announcement of the Company dated 14 April 2008
“Tai Sang Bank”	Tai Sang Bank Limited, a company incorporated in 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, 25 February 2009

*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 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.*