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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 TRANSACTION MASTER LEASING AGREEMENT

On 30 December 2010, the Company entered into the Master Leasing Agreement with Ms. Ma to set out the principal terms and conditions governing the Leasing Arrangements between the Group and the Connected Group in the future.

Ms. Ma is an executive director of the Company and thus a connected person of the Company under the Listing Rules. As members of the Connected Group consists of Ms. Ma and the associates of Ms. Ma within the meaning of Rule 14A.11(4)(b) and Rule 14A.11(4)(c) of the Listing Rules, the Leasing Arrangements contemplated under the Master Leasing Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the maximum annual consideration receivable by the Group in respect of the Leasing Arrangements contemplated under the Master Leasing Agreement exceeds HK\$1,000,000 but the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules do not exceed 5%, the Master Leasing Agreement and the Leasing Arrangements contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under the Listing Rules.

THE MASTER LEASING AGREEMENT

Members of the Group had in the past entered into the Leasing Arrangements with certain members of the Connected Group in the ordinary and usual course of business and it is anticipated that members of the Group will from time to time continue to enter into new Leasing Arrangements with members of the Connected Group 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, the Company and Ms. Ma 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:

30 December 2010

Parties:

The Company and Ms. Ma

Subject Matter:

Pursuant to the Master Leasing Agreement, the Company agrees to, or procure members of the Group to, enter into the Leasing Arrangements with members of the Connected 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, lease agreement or licence agreement to be entered into between the relevant member of the Group and the relevant member of the Connected Group.

Duration:

The Master Leasing Agreement shall be for a term of 3 years commencing from 1 January 2011 to 31 December 2013 (both days inclusive).

Consideration and other terms:

Pursuant to the Master Leasing Agreement, the terms of each Leasing Arrangement (including the amount of rental, management fees payable to the Group 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 or licence the use of Premises to other independent third party tenants or licencees and shall be on terms which are no more favourable than those offered by members of the Group to such third party tenants or licencees.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASING ARRANGEMENTS AND THE MASTER LEASING AGREEMENT

The entering into of the Leasing Arrangements will generate revenue to the Group in the ordinary and usual course of business. The Leasing Arrangements will be entered into on an arm's length basis and on normal commercial terms. The entering into of the Master Leasing Agreement would enable the Group to regulate principal terms and conditions of the Leasing Arrangements.

The Directors (including the independent non-executive Directors) considered that 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 terms of the Master Leasing Agreement had been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

ANNUAL CAPS

It is expected that the maximum aggregate consideration receivable by the Group from the Connected Group 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 financial year ending 31 December		
2011	2012	2013
HK\$2,000,000	HK\$2,200,000	HK\$2,400,000

The above Annual Caps were determined based on (i) the historical aggregate annual or annualised amounts received by the Group in respect of the Leasing Arrangements in the past two financial years ended 31 December 2008 of HK\$1,262,367 and 31 December 2009 of HK\$1,499,561 and the expected aggregate annual or annualised amount receivable by the Group in respect of the Leasing Arrangements for the financial year ending 31 December 2010 of HK\$1,330,426 and (ii) the expected increment in the rental in the future.

The Directors (including the independent non-executive Directors) considered that the Annual Caps are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Ms. Ma is an executive director of the Company and thus a connected person of the Company under the Listing Rules. As members of the Connected Group consists of Ms. Ma and the associates of Ms. Ma within the meaning of Rule 14A.11(4)(b) and Rule 14A.11(4)(c) of the Listing Rules, the Leasing Arrangements contemplated under the Master Leasing Agreement therefore constitute continuing connected transactions of the Company under the Listing Rules.

As the maximum annual consideration receivable by the Group in respect of the Leasing Arrangements contemplated under the Master Leasing Agreement exceeds HK\$1,000,000 but the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules do not exceed 5%, the Master Leasing Agreement and the Leasing Arrangements contemplated thereunder 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 at the date of this announcement, Mr. Ma Ching Wai, William, Mr. Ma Ching Hang, Patrick, Mr. Ma Ching Kuen, Alfred, Ms. Ma Ching Man, Katy, Ms. Ma Ching Keung, Ruth, Mr. Ma Ching Yeung, Philip and Ms. Ma (the “**Ma Family Directors**”) are executive directors of the Company. As the Ma Family Directors are Ma Family Members who are members of the Connected Group, the Ma Family Directors have a material interest in the Master Leasing Agreement and accordingly have abstained from voting on the board resolution to approve the Master Leasing Agreement and the transactions contemplated thereunder and the Annual Caps.

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.

DEFINITIONS

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

“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
“Connected Group”	Ma Family Members and companies in which one or more Ma Family Members individually or 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
“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
“Leasing Arrangements”	the entering into of tenancy agreements or licence agreements by members of the Group with one or more members of the Connected Group whereby members of the Group in their ordinary and usual course of business lease or license the use of various Premises to members of the Connected Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ma Family Members”	Ms. Ma and her relatives who are persons referred to in the Rules 14A.11(4)(b)(i) and 14A.11(4)(c)(i) of the Listing Rules

“Master Leasing Agreement”	the master leasing and licensing agreement dated 30 December 2010 entered into between the Company and Ms. Ma
“Ms. Ma”	Ms. Ma Ching Sau, Amy, an executive director of the Company
“Premises”	the premises owned by the Group from time to time
“Shareholders”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 December 2010

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 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.