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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 13 April 2011, 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 aggregate maximum amount payable by the Company under the Previous Tenancy Agreements and the Tenancy Agreement for the year ending 31 December 2011 as well as the aggregate maximum amount payable by the Company under the Tenancy Agreement for each of the two years ending 31 December 2012 and 2013 respectively is more than HK\$1,000,000 but represents less than 5% of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Tenancy Agreement is only subject to the reporting, announcement and annual review requirements under the Listing Rules but 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 13 April 2011, the Company as tenant entered into the Tenancy Agreement with Tai Sang Bank as the 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 2011 to 14 April 2014, both days inclusive
Rental	:	HK\$240,000 per month, exclusive of rates, air-conditioning charges and management fee
Air-conditioning charges and management fee	:	HK\$35,000 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\$825,000 being three months' rental and air-conditioning charges and management fee
Rent free period	:	15 April 2011 to 14 May 2011 and 15 March 2014 to 14 April 2014

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\$123,690 being the balance of deposit payable under the Tenancy Agreement as referred to above after setting off against the aggregate deposit of HK\$701,310 paid under the Previous Tenancy Agreements.

## **REASONS FOR ENTERING INTO THE TENANCY AGREEMENT**

The Company had entered into the Previous Tenancy Agreements to rent certain units in the Building, which together comprise the Premises, for use as its office. As all the Previous Tenancy Agreements shall expire on 14 April 2011, the Tenancy Agreement is entered into for the purposes of renewing the existing tenancies 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 valuation of the unit market rental chargeable in respect of office units of the Building by an independent valuer as at 17 March 2011 in the region of HK\$24 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) 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 exercise or control the exercise of more than 50% of the voting power at general meetings as well as a substantial Shareholder directly or indirectly interested in approximately 48.3% of the issued share capital of the Company, is a connected person of the Company. As approximately 44.82% of the issued share capital 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 power 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 Agreements 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 Agreements and the Tenancy Agreement for the year ending 31 December 2011 and under the Tenancy Agreement for each of the two years ending 31 December 2012 and 2013 and for the period from 1 January 2014 to 14 April 2014 should not exceed HK\$2,500,000, HK\$3,500,000, HK\$3,500,000 and HK\$800,000 respectively.

As the aggregate maximum amount payable by the Company under the Previous Tenancy Agreements and the Tenancy Agreement for the year ending 31 December 2011 as well as the aggregate maximum amount payable by the Company under the Tenancy Agreement for each of the two years ending 31 December 2012 and 2013 respectively is more than HK\$1,000,000 but represents less than 5% of the applicable percentage ratios calculated pursuant Rule 14.07 of the Listing Rules, the Tenancy Agreement is only subject to the reporting, announcement and annual review requirements under the Listing Rules but 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.

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 approximately 48.3% of the issued share capital 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 Agreements”	the five tenancy agreements all dated 14 April 2008, the two tenancy agreements both dated 25 February 2009, the tenancy agreement dated 16 July 2009 and the tenancy agreement dated 4 June 2010 all 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, which together comprise the Premises, particulars of which are disclosed in the announcements of the Company dated 14 April 2008, 25 February 2009, 16 July 2009 and 4 June 2010
“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 13 April 2011 entered into between Tai Sang Bank as landlord and the Company as tenant in relation to the leasing of the Premises by the Company from the landlord
“%”	per cent.

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

Hong Kong, 13 April 2011

*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 Non-Executive Director, and Mr Chau Kwok Fun, Kevin, Mr Tan Soo Kiu and Mr Wong Hing Kwok, William are Independent Non-Executive Directors.*