

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

If you have sold all your shares in Tai Sang Land Development Limited, you should at once hand this circular and the accompanying form of proxy enclosed with the 2001 Annual Report of the Company to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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TAI SANG LAND DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

PROPOSALS FOR GENERAL MANDATES TO REPURCHASE ITS OWN SHARES AND TO ISSUE SHARES

The notice convening the annual general meeting of Tai Sang Land Development Limited (the “Company”) to be held at Salon 3, Level 3, JW Marriott Hotel Hong Kong, One Pacific Place, 88 Queensway, Hong Kong at 2:00 p.m. on Friday, 31st May 2002 (the “Annual General Meeting”) together with the form of proxy for use at the Annual General Meeting are contained in the 2001 annual report of the Company (the “2001 Annual Report”). Shareholders are advised to read the notice and to complete and return the form of proxy for use at the Annual General Meeting enclosed with the 2001 Annual Report in accordance with the instructions printed thereon. Completion of the form of proxy will not preclude the shareholders from attending and voting at the meeting if they so wish.

20th April 2002



TAI SANG LAND DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

Directors:

Ma Ching Wai, William (*Chairman*)
Ma Ching Kuen, Alfred (*Managing Director*)
Ma Ching Sau, Amy (*Managing Director*)
Ma Ching Man, Katy
Ma Ching Keung, Ruth
Ma Ching Hang, Patrick
Ma Ching Kwai, Ida
Ma Ching Yeung, Philip
Cheung Wing Yui, Edward*
Chau Kwok Fun, Kevin*

Registered Office:

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

* *Independent non-executive Director*

20th April 2002

To the shareholders

Dear Sir or Madam,

PROPOSALS FOR GENERAL MANDATES TO REPURCHASE ITS OWN SHARES AND TO ISSUE SHARES

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed general mandates to repurchase its own shares of HK\$1.00 each in the Company (“Shares”) and to issue Shares, and to seek the shareholders’ approval at the Annual General Meeting in connection with the grant of the relevant general mandates.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 1st June 2001, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution. Such mandate will lapse at the conclusion of the Annual General Meeting unless renewed at a general meeting of the shareholders of the Company. An ordinary resolution will therefore be proposed at the Annual General Meeting to approve a general mandate to authorise the Company to engage in shares repurchases.

LETTER FROM THE CHAIRMAN

Your attention is drawn to ordinary resolution no. 5(1) set out in the notice of Annual General Meeting. Such ordinary resolution proposes to give a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase at any time until the conclusion of the next annual general meeting of the Company following the passing of ordinary resolution no. 5(1) or such earlier period as stated therein, Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of ordinary resolution no. 5(1) (the “Repurchase Mandate”).

An explanatory statement, as required under the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to provide the requisite information regarding the Repurchase Mandate is set out in the Appendix hereto.

3. GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will also be proposed that the Directors be given a general and unconditional mandate to issue during the Relevant Period (as defined in ordinary resolution no. 5(2) set out in the notice of Annual General Meeting) Shares representing up to 20 per cent. of the issued share capital of the Company as at the date of passing of ordinary resolution no. 5(2) (the “Issue Mandate”) (i.e. not exceeding 57,533,935 Shares based on the issued share capital of the Company of 287,669,676 Shares as at 12th April 2002 (the latest practicable date prior to the printing of this circular) (the “Latest Practicable Date”) and assuming that such issued share capital remains the same at the date of passing the ordinary resolution no. 5(2)). In addition, an ordinary resolution (ordinary resolution no. 5(3) set out in the notice of Annual General Meeting) will be proposed to extend the Issue Mandate which would increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

4. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve the Repurchase Mandate and the Issue Mandate together with the form of proxy for use at the Annual General Meeting are contained in the 2001 Annual Report. Shareholders are advised to read the notice and to complete and return the form of proxy for use at the Annual General Meeting enclosed with the 2001 Annual Report in accordance with the instructions printed thereon by no later than 2:00 p.m. Wednesday, 29th May 2002.

5. RECOMMENDATION

The Directors believe that the Repurchase Mandate and the Issue Mandate are in the best interest of the Company and its shareholders as a whole and accordingly the Directors recommend shareholders to vote in favour of such resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
William MA Ching Wai
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to shareholders for their consideration of the proposal to permit the repurchase of Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of ordinary resolution no. 5(1). For the purpose of this Appendix, the term “shares” shall be as defined in the Code on Share Repurchases to mean shares of all classes and securities which carry a right to subscribe or purchase shares.

1. Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:-

(a) *Source of funds*

Repurchases must be made out of funds which are legally available for such purpose in accordance with the company’s constitutional documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(b) *Maximum number of shares to be repurchased and subsequent issue*

The shares proposed to be repurchased by a company must be fully paid up. A maximum of 10 per cent. of the issued share capital of a company as at the date of the passing of the relevant resolution approving the repurchase mandate may be repurchased on the Stock Exchange.

2. Share Capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 287,669,676 Shares.

Subject to the passing of Ordinary Resolution no. 5(1) set out in the notice of Annual General Meeting and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase Shares up to the limit of 28,766,967 Shares.

3. Reasons for Repurchase

The Directors believe that the Repurchase Mandate affords the Company the flexibility and ability in pursuing the best interests for the Company and its shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, be beneficial to the shareholders by enhancing the net asset and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

4. Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the laws of Hong Kong (including the Companies Ordinance and the Listing Rules). The Companies Ordinance provides that the amount of capital repaid in connection with a Share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase and any premium payable on repurchase shall be paid out of distributable profits of the Company unless such repurchased Shares were issued at a premium, in which case, any premium payable on repurchase may be paid out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase to such extent allowable under the Companies Ordinance. The Directors propose that such repurchases of Shares would be appropriately financed by the Company's internal resources and/or available banking facilities.

5. Impact of Repurchase

There might be material adverse impact on the working capital or gearing levels of the Company (as compared with the position disclosed in the audited accounts contained in the 2001 Annual Report) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

6. Share Prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:-

	Shares	
	Highest HK\$	Lowest HK\$
April 2001	1.880	1.720
May 2001	1.850	1.730
June 2001	1.800	1.700
July 2001	1.840	1.740
August 2001	1.760	1.680
September 2001	1.730	1.580
October 2001	1.640	1.550
November 2001	1.720	1.590
December 2001	1.800	1.680
January 2002	1.800	1.700
February 2002	1.820	1.670
March 2002	1.910	1.750

7. Undertakings and Directors' Dealings and Connected Persons

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to ordinary resolution no. 5(1) set out in the notice of Annual General Meeting and in accordance with the Listing Rules and the laws of Hong Kong.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

8. Hong Kong Code on Takeovers and Mergers

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("Takeover Code"). As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, Mr. Ma Ching Wai, William and his associates were taken to be interested in 161,928,587 Shares representing approximately 56.29 per cent. of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then (if the present shareholdings remains the same) the attributable shareholding of Mr. Ma Ching Wai, William and his respective associates in the Company would be increased to approximately 62.54 per cent. of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Mandate.

9. Share Repurchases made by the Company

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the 6 months preceding the date of this circular.