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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)

**ANNOUNCEMENT MADE PURSUANT TO
RULE 13.09 OF THE LISTING RULES
DISPOSAL OF A SUBSIDIARY**

On 20 March 2007, the Company and the Buyers entered into the Sale and Purchase Agreement pursuant to which the Company has conditionally agreed to sell the Sale Shares to the Buyers at the consideration of HK\$40,800,000.

THE SALE AND PURCHASE AGREEMENT

1. Date

20 March 2007

2. Parties

Seller: the Company

Buyers: Lam Kwan, Li Shu Yeh and Lam Fan. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Buyers are independent of the Company and its connected persons as defined under the Listing Rules.

3. Assets to be disposed of

The Company has pursuant to the Sale and Purchase Agreement conditionally agreed to sell the Sale Shares representing the entire issued share capital of Fung Chau to the Buyers as follows:

Buyer	No. of Sale Shares
Lam Kwan	214,006
Li Shu Yeh	535,015
Lam Fan	321,009

Fung Chau

Fung Chau is a wholly-owned subsidiary of the Company and its principal activity is property owning for resale. After Completion, Fung Chau will cease to be a subsidiary of the Company and the Company will no longer have an interest in either Fung Chau or the Property.

The Property

The Property is located at Shing Wah Building, Nos. 23-39 Shing Fong Street, Kwai Chung, New Territories, Hong Kong and comprises a retail shop and commercial units. The Property is held by Fung Chau for resale purpose.

4. Consideration

The total consideration for the Sale Shares shall be HK\$40,800,000 and shall be or has been (as the case may be) paid by the Buyers to the Company in the following manner:

- (a) the sum of HK\$4,080,000 (“First Payment”) had been paid upon the signing of the Sale and Purchase Agreement;
- (b) a further sum of HK\$4,080,000 to be paid on 18 April 2007; and
- (c) the balance of the consideration in the sum of HK\$32,640,000 (“Third Payment”) to be paid at Completion.

The Company and the Buyers have agreed that any amount due and owing by the Company to Fung Chau as shown in the unaudited management accounts of Fung Chau for the period ended on the Completion Date shall be settled at Completion by setting-off such amount against the Third Payment at Completion.

If Completion fails to take place due to default on the part of the Company and the Sale and Purchase Agreement is terminated, the Company shall within 3 business days refund all payments made by the Buyers pursuant to the Sale and Purchase Agreement and shall further pay to the Buyers an amount equal to the First Payment as liquidated damages.

If Completion fails to take place due to default on the part of the Buyers and the Sale and Purchase Agreement is terminated, the Company shall within 3 business days refund all payments made by the Buyers pursuant to the Sale and Purchase Agreement except for the First Payment which shall be applied as liquidated damages.

5. Conditions

Completion is subject to the following conditions:

- (a) the Buyers completing a due diligence investigation in relation to Fung Chau by which they reasonably satisfy themselves as to all financial, accounting and other matters relating to Fung Chau and its business, assets and liabilities;
- (b) neither party having committed any material breach of the Sale and Purchase Agreement; and
- (c) none of the warranties and representations set out in the Sale and Purchase Agreement being or becoming false, misleading or incorrect in any material respect.

The Buyers may in writing waive in whole or in part all or any of the Conditions.

If any of the Conditions is not fulfilled or waived by the Buyers on or before 10:00 a.m. on 15 May 2007 (or such later date as may be agreed between the Parties in writing), the Sale and Purchase Agreement may be terminated by either party giving written notice to the other party. If the Sale and Purchase Agreement is terminated, each party shall forthwith be released from its obligations under such agreement and shall only retain the rights which it has against any other party in respect of any breach of such agreement occurring before termination. Upon termination, all payments made by the Buyers to the Company pursuant to the Sale and Purchase Agreement shall be refunded to the Buyers without interest within 3 business days and all title deeds, and other relevant documents in relation to the Property shall forthwith be returned to the Company.

Subject to fulfillment or waiver of the Conditions, Completion shall take place on the Completion Date.

FINANCIAL EFFECTS

Based on the audited net asset value of Fung Chau as at 31 December 2006, the completion of the sale and purchase of the Sale Shares is expected to result in an estimated gain of approximately HK\$39 million to the Group.

GENERAL

The principal activities of the Company are investment holding and property investment. The activities of the Company's principal subsidiaries include property rental, property development and estate management and agency.

As at the date of this announcement, members of the Board of Tai Sang Land Development Limited comprised 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.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Tai Sang Land Development Limited
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	15 May 2007 or such later date as may be agreed between the Company and the Buyers in writing

“Conditions”	the conditions precedent to Completion, as more particularly set out under the section headed “5. Conditions” of this announcement
“Fung Chau”	Fung Chau Investment Company Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Property”	Shop A on the Ground Floor of Shing Wah Building, Nos.23-29 & 33-39 Shing Fong Street, Kwai Chung, New Territories, the First Floor, the Second Floor and the West portion on the Third Floor of Shing Wah Building, No. 31 Shing Fong Street, Kwai Chung, New Territories, Hong Kong
“Buyers”	Lam Kwan, Li Shu Yeh and Lam Fan
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 20 March 2007 between the Company and the Buyers in relation to the sale and purchase of the Sale Shares
“Sale Shares”	1,070,030 shares of HK\$1 each in the share capital of Fung Chau
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 20 March 2007

Please also refer to the published version of this announcement in The Standard.