

# REPORT OF THE DIRECTORS

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The directors of Tai Sang Land Development Limited (the "Company") submit their report together with the audited accounts of the Company and its subsidiary companies (collectively the "Group") for the year ended 31st December 2000.

## PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are investment holding and property investment. The activities of the principal subsidiary companies are shown in note 26 to the accounts.

An analysis of the Group's turnover and contribution to profit before taxation for the year by principal activities and markets is set out in note 2 to the accounts.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2000 are set out in the consolidated profit and loss account on page 13 of this annual report.

The directors have declared an interim dividend of HK10 cents (1999: HK10 cents) per ordinary share, totalling HK\$28,766,968 (1999: HK\$28,766,968) and a special dividend of HK5 cents (1999: Nil) per ordinary share, totalling HK\$14,383,484, both were paid on 10th October 2000. The directors recommend the payment of a final dividend of HK8 cents (1999: HK7 cents) per ordinary share, totalling HK\$23,013,574 (1999: HK\$20,136,877), which has been incorporated in the accounts. The total distribution for the year ended 31st December 2000 amounts to HK23 cents (1999: HK17 cents) per ordinary share.

## RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 18 to the accounts.

## DONATIONS

During the year, the Group made charitable and other donations of HK\$183,856 (1999: HK\$312,426).

## FIXED ASSETS

Details of the movements in fixed assets are set out in note 11 to the accounts.

## PRINCIPAL PROPERTIES

A list of the Group's significant properties is set out on pages 40 and 41 of this annual report.

## PURCHASE, SALE AND REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiary companies has purchased or sold any of the Company's issued shares during the year.

## BORROWINGS

Particulars of the bank loans and overdrafts are shown in notes 16 and 19 to the accounts.

## RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are set out in note 4 to the accounts.

## DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st December 2000, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$308,361,341 (1999: HK\$330,150,449).

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## **FIVE YEAR FINANCIAL SUMMARY**

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 42 of this annual report.

## **DIRECTORS**

The directors during the year and up to the date of this report were:

William Ma Ching Wai	<i>(Chairman)</i>
Alfred Ma Ching Kuen	<i>(Managing Director)</i>
Amy Ma Ching Sau	<i>(Managing Director)</i>
Katy Ma Ching Man	
Ruth Ma Ching Keung	
Patrick Ma Ching Hang	
Ida Ma Ching Kwai	
Philip Ma Ching Yeung	

### *Independent non-executive directors:*

Edward Cheung Wing Yui

Kevin Chau Kwok Fun

In accordance with Article 103 of the Company's Articles of Association, Ms. Ruth Ma Ching Keung, Ms. Ida Ma Ching Kwai and Mr. Edward Cheung Wing Yui retire by rotation and, being eligible, offer themselves for re-election.

## **DIRECTORS' SERVICE CONTRACTS**

None of the directors who are offering themselves for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

## **BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT**

Biographical details of directors and senior management are set out on pages 1 and 2 of this annual report.

## **DIRECTORS' AND MANAGEMENT'S EMOLUMENTS**

Details of directors' and management's emoluments are set out in note 6 to the accounts.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year was the Company or any of its subsidiary companies a party to any arrangements to enable the directors of the Company or their associated corporations as defined in Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

At no time during the year, the directors and chief executive (including their spouse and children under 18 years of age) had been granted any rights to subscribe for shares or debentures of the Company and its associated corporations as defined in the SDI Ordinance.

## DIRECTORS' INTERESTS IN EQUITY SECURITIES

At 31st December 2000 the interests of the directors and chief executive in the shares of the Company as recorded in the register maintained under Section 29 of the SDI Ordinance or as notified to the Company were as follows:

### Ordinary shares of HK\$1 each

	Personal interests	Family interests	Corporate interests (notes (a) and (b))	Joint interests (note (c))	Total
Directors:					
William Ma Ching Wai	3,644,013	—	158,246,459	38,115	161,928,587
Alfred Ma Ching Kuen	57,200	—	—	—	57,200
Amy Ma Ching Sau	20,570	—	—	—	20,570
Katy Ma Ching Man	74,726	—	—	—	74,726
Ruth Ma Ching Keung	2,772	—	—	—	2,772
Patrick Ma Ching Hang	261	—	8,726,513	38,115	8,764,889
Ida Ma Ching Kwai	19,712	—	—	—	19,712
Philip Ma Ching Yeung	3,157,522	—	—	—	3,157,522
Edward Cheung Wing Yui	—	—	—	—	—
Kevin Chau Kwok Fun	—	—	—	—	—
Chief executive:					
Ted Mok Tat Hung	—	—	—	—	—
General manager:					
Tan Soo Kiu	—	—	—	—	—

### Notes:

- Kam Chan & Company, Limited and its associates, and Holston Investment Limited directly or indirectly owned 137,108,222 and 21,138,237 ordinary shares in the Company respectively. Mr. William Ma Ching Wai is a substantial shareholder of these companies.
- Tai Sang International Limited directly owned 8,726,513 ordinary shares in the Company. Mr. Patrick Ma Ching Hang is a substantial shareholder of this company.
- Mr. William Ma Ching Wai and Mr. Patrick Ma Ching Hang jointly held 38,115 ordinary shares in the Company.
- Mr. Alfred Ma Ching Kuen beneficially held 9,886 shares (or 0.1765%) in the issued share capital of a subsidiary company, Tai Sang Cold Storage and Godown Company Limited.
- Mr. William Ma Ching Wai indirectly held beneficial interest in 150,000 shares in the issued share capital of a subsidiary company, GYB Properties, Inc.
- Mr. Patrick Ma Ching Hang and Ms. Katy Ma Ching Man jointly beneficially held 47 shares (or 0.94%) in the issued share capital of a subsidiary company, Kam Hang Company Limited.
- In addition, certain directors of the Company hold non-beneficial interests in subsidiary companies in trust to the absolute benefit for the Company, the details of which are available for inspection at the Company's registered office.

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## **DIRECTORS' INTERESTS IN CONTRACTS**

Other than the transaction disclosed in note 20 to the accounts in which Mr. William Ma Ching Wai is interested by virtue of his ownership and control in the related companies, no other contracts of significance in relation to the Group's business to which the Company or any of its subsidiary companies was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## **SUBSTANTIAL SHAREHOLDERS**

At 31st December 2000, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that the Company had not been notified of any substantial shareholders' interests, being 10% or more of the Company's issued share capital, other than those of the directors and chief executive as disclosed above.

## **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## **MAJOR CUSTOMERS AND SUPPLIERS**

The percentages of the purchases for the year attributable to the Group's major suppliers are as follows:

- the largest supplier	10.6%
- five largest suppliers	35.2%

None of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the suppliers noted above.

During the year, the Group earned less than 30% its turnover from its five largest customers.

## **COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES**

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in the Listing Rules (the "Listing Rules") of The Stock Exchange of Hong Kong Limited except as detailed below.

The independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at Annual General Meeting of the Company in accordance with the Company's Articles of Association.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

All directors except for independent non-executive directors are directors of Kam Chan & Company, Limited which is also engaged in property development and property investment.

## **AUDIT COMMITTEE**

Mr. Edward Cheung Wing Yui and Mr. Kevin Chau Kwok Fun, both of whom are independent non-executive directors, have been appointed as committee members of the Audit Committee which was established on 9th April 1999. The Audit Committee is dedicated to the review of matters with the purview of the audit, such as financial statements and internal control, to protect the interests of the shareholders of the Company.

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## **AUDITORS**

The accounts for the year have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

The accounts for the year ended 31st December 1998 were audited by Price Waterhouse. PricewaterhouseCoopers replaced Price Waterhouse in 1999 following their merger with Coopers & Lybrand.

On behalf of the Board

**William Ma Ching Wai**  
*Chairman*

Hong Kong, 30th March 2001