

Report Of The Directors

The directors are pleased to present their report and audited accounts for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATION

The principal activity of the Company is television broadcasting, together with programme production and other broadcasting related activities. The principal activities of the subsidiaries are detailed in note 34 to the accounts.

An analysis of the Group's turnover and contribution to operating profit/(loss) for the year by principal activities and markets is set out in note 2 to the accounts.

RESULTS, APPROPRIATIONS AND RESERVES

The results of the Group and appropriations of profits for the year ended 31 December 2000 are set out in the consolidated profit and loss account on page 29 and 30.

Movements in the reserves of the Group and the Company during the year are set out in note 23 to the accounts on page 60 to 62.

Distributable reserves of the Company at 31 December 2000, calculated under Section 79B of the Companies Ordinance, amounted to HK\$1,992,714,000 (1999: HK\$1,636,803,000).

DIVIDENDS

An interim dividend of HK\$0.20 per share, totalling HK\$87,600,000, was paid on 5 October 2000. The directors now recommend the payment of a final dividend of HK\$0.75 per share in respect of the year ended 31 December 2000 payable to shareholders who are on the Register of Members on 30 May 2001.

DONATIONS

Donations made by the Group during the year ended 31 December 2000 amounted to HK\$90,000.

FIXED ASSETS

Movements of fixed assets during 2000 are set out in note 12 to the accounts.

FIVE-YEAR FINANCIAL REVIEW

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 27.

DIRECTORATE AND SENIOR MANAGEMENT

The following directors and senior managers were in office during the year and at the date of this report.

Sir Run Run Shaw, G.B.M. (Executive Chairman)

aged 93, is the President of the Shaw group of companies with substantial interests in the entertainment and movie industry. Through the Shaw group, he holds a major interest in the

share capital of the Company. He is one of the founding directors of the Company and became Chairman in 1980. He is the husband of Miss Mona Fong, the Deputy Chairperson of the Company.

Mona Fong (Deputy Chairperson)

aged 66, has been a director of the Company since 1988 and appointed as Deputy Chairperson on 25 October 2000. Miss Fong is the Managing Director of Shaw Brothers (Hong Kong) Limited and the Shaw group of companies. She is also the Deputy Chairperson of the Shaw Foundation Hong Kong Limited and the Chairman of The Sir Run Run Shaw Charitable Trust and member of the Board of Trustees of the Shaw College of the Chinese University of Hong Kong. Miss Fong is the wife of Sir Run Run Shaw, the Executive Chairman of the Company.

Louis Page (Managing Director)

aged 51, was appointed a director of the Company in 1987 and as Managing Director in September 1995. He is an executive director of the Shaw group of companies.

Sir Jack Cater, K.B.E., J.P. (Independent Non-executive Director)

aged 79, joined the board of directors in 1992. He has headed various Government departments over 3 decades and was founding-commissioner of the Independent Commission Against Corruption (1974-78) and Chief Secretary (1978-81).

Chow Yei Ching, O.B.E.

aged 65, was appointed a director of the Company on 1 June 2000. He is the Founder and Chairman of the Chevalier Group of Companies, which consists of three listed companies on the Hong Kong Stock Exchange - Chevalier International Holdings Limited, Chevalier iTech Holdings Limited, and Chevalier Construction Holdings Limited, and one listed company on the Singapore Stock Exchange - Chevalier Singapore Holdings Limited.

He retires under Article 98 of the Articles of Association and being eligible, offers himself for re-election.

Christina Lee Look Ngan Kwan

aged 77, is the widow of the founder of the Company, Mr. Lee Hsiao-Wo. Mrs. Lee became a director of the Company in 1981. She is actively involved in Caritas, Hong Kong, a local charitable organisation.

Lee Jung Sen, O.B.E. (Independent Non-executive Director)

aged 85, is one of the founding directors of the Company. He is a director of Lee Gardens International Holdings Limited and Shanghai Commercial Bank Limited.

Li Dak Sum, DSSc. (Hon.), J.P. (Independent Non-executive Director)

aged 80, is the Chairman of Sharp-Roxy (Hong Kong) Limited which markets "Sharp" products in Hong Kong and China. Dr. Li is also the Chairman of various hotel operations in Singapore, Australia and New Zealand. He was appointed a director of the Company in 1995.

Kevin Lo Chung Ping

aged 64, joined the Company in 1966 as Project Engineer and as General Manager from 1978

to 1980. He was appointed a director in 1977. He is also a director of Gold Peak Industries (Holdings) Limited.

Kevin Lo retires by rotation under Article 93 of the Articles of Association and being eligible, offers himself for re-election.

Chien Lee (alternate director to Mr. Lee Jung Sen)
aged 47, is a director of the Scottish and Eastern Investments Limited. He is also a director of Hysan Development Company Limited and Swire Pacific Limited. He was appointed as Mr. Lee's alternate in July 1995.

Dr. Ann Tse Kai, who has been a director of the Company since 1977, passed away in June 2000.

Ho Ting Kwan
aged 56, joined TVB in 1968 as Assistant Accountant. He has since worked as Accountant, Chief Accountant and Comptroller. He was appointed Controller (Administration) in 1982 and promoted to Assistant General Manager in 1986. He was appointed Assistant General Manager - Television Broadcasting in July 1990 and as Deputy General Manager - Television Broadcasting in March 1992. He was given added responsibility as Company Secretary since April 1995. He was appointed General Manager - Television Broadcasting in November 1995.

Raymond Roy Wong
aged 63, a journalist, was employed by the Company as Manager of News, Public Affairs and Sports from 1977 to 1978. In 1980 he headed the News Division as Controller (News & Public Affairs) until 1991. He rejoined TVB's management team in February 1994 as Assistant General Manager - Television Broadcasting.

Cheong Shin Keong
aged 44, joined TVB as Controller, Marketing & Sales in 1989. He has extensive experience in the advertising industry specialising in media planning, buying and research. He was promoted to Assistant General Manager - Television Broadcasting in November 1995.

Michael Chan Kwok Wai
aged 47, joined TVB as Programme Marketing Manager in 1982. He was assigned to the international operations division of the Company, as Manager of its telecast division in 1988. In 1991, he returned to TVB to work in the Marketing and Sales Division as Assistant Controller. He was transferred back to the international operations division in July 1992 to join its management team as Assistant General Manager. He was promoted as Deputy General Manager in January 1995 and as General Manager in November 2000.

DIRECTORS' INTERESTS

None of the Directors of the Company has a service contract with the Company which is not determinable within one year, without payment of compensation, other than statutory compensation.

The Company has agreements with Shaw Brothers (Hong Kong) Limited for the lease of certain