

Apart from the above, no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries 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.

As at 31 December 2001 the beneficial interests of the directors and chief executive in the shares of the Company as recorded in the register maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance were as follows:-

	<b>No. of Ordinary Shares of HK\$0.05 each</b>	<b>Nature of Interest</b>
Sir Run Run Shaw (*) (Note)	141,174,828	Corporate
Chow Yei Ching	100,000	Personal
Mona Fong	1,096,000	Personal
Christina Lee Look Ngan Kwan	{ 16,701,000	Corporate
	602,144	Personal
Lee Jung Sen	1,262,415	Personal
Li Dak Sum	200,000	Corporate
Kevin Lo Chung Ping	Nil	
Louis Page	800,000	Personal
Chien Lee	600,000	Personal

Note : For the avoidance of doubt and double counting, it should be noted that duplication of shareholdings occurred between parties (\*) shown above and below under "Substantial Shareholders".

The above corporate interests in which the directors and chief executive are taken to be interested are the interests of corporations where the directors and chief executive were either entitled to exercise (or were taken under the Securities (Disclosure of Interests) Ordinance to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations. Other than the above stated interests, none of the directors and chief executive have any other interests.

The Company or its subsidiaries did not grant to the directors or chief executive or their spouse or children under 18 years of age any rights to subscribe for shares or debentures of the Company or any other body corporate.

Apart from the above, no interests were held or deemed or taken (under the Securities (Disclosure of Interests) Ordinance) to be held by any directors or chief executive of the Company in the share capital of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance) as at 31 December 2001.

#### **SUBSTANTIAL SHAREHOLDERS**

As at 31 December 2001 the register of substantial shareholders maintained under section 16(1) of the Securities (Disclosure of Interests) Ordinance showed that, apart from those disclosed

above in respect of the director marked (\*) and chief executive, the Company had been notified of the following interests, being 10% or more of the Company's issued share capital.

	<b>No. of Ordinary Shares of HK\$0.05 each</b>
Shaw Brothers (Hong Kong) Limited (*) (Note)	113,888,628

Note : For the avoidance of doubt and double counting, it should be noted that duplication of shareholdings occurred between parties (\*) shown here and above under "Directors' Interests".

Save for the shares referred to above, no other person was recorded in the register kept pursuant to Section 16 of the Securities (Disclosure of Interests) Ordinance as having an interest representing 10% or more of the issued share capital of the Company as at 31 December 2001.

### **CONNECTED TRANSACTIONS**

- 1) The following transactions constitute connected transactions of the Company to which conditional waivers have been granted by The Stock Exchange of Hong Kong Ltd. (the Stock Exchange):-
  - a) Since 5 May 1992, Shaw Brothers (Hong Kong) Limited (Shaw), a substantial shareholder of the Company, has been providing certain production facilities to the Company under a production management agreement. On 31 January 2001, the Company and Shaw entered into a new production management agreement for a term of two years from 1 February 2001 to 31 January 2003 at a monthly fee of HK\$445,000. The amount paid by the Company during 2001 was HK\$5,345,000. In addition, an amount of HK\$89,000 was paid by the Company to Shaw during 2001 as a reimbursement of the government rates in respect of the production facilities.
  - b) On 19 May 1997 and 15 December 1997, the Company and Shaw entered into separate tenancy agreements, whereby Shaw granted to the Company tenancies of certain office and car parking spaces situated at Shaw House, Lot 220 Clear Water Bay Road, Kowloon, Hong Kong. The term of the two tenancies commenced on 1 July 1997 and 1 November 1997 respectively and both will expire on 30 June 2005. The amount of rental paid during 2001 was HK\$17,732,000.
  - c) On 21 February 2000, the Company and TVB Publishing Holding Limited (TVBPH) (formerly known as TVB.COM Limited), a non-wholly owned subsidiary of the Company, entered into an administrative services agreement relating to the provision of certain services by the Company to TVBPH. The agreement was mutually terminated with effect from 1 April 2001. The fee received by the Company during 2001 was HK\$426,000.
  - d) On 30 March 2001, the Company entered into a Letter of Intent with Chevalier (Network Solutions) Limited (CNSL), a connected person of the Company, in relation to the supply, installation and maintenance of the private automatic branch

exchange (PABX) system and structured cabling network by CNSL at the new TV City of the Company at a lump sum fee of HK\$20,526,000, which shall be settled by way of installments. The formal contract containing the terms as stated in the Letter of Intent was signed in November 2001. The amount paid by the Company during 2001 was HK\$1,328,000.

- e) On 1 January 1995, Liann Yee Production Co. Ltd. (LYP), a non-wholly owned subsidiary of the Company, and Era Communications Co. Ltd. (Era), a substantial shareholder of LYP, entered into a distribution agreement, whereby Era acted as the sole distributor of LYP's cable channels in Taiwan, and was responsible for collecting the income generated from broadcast of LYP's television programmes on behalf of LYP. On 28 February 1998, the agreement was renewed for a period of three years from 1 March 1998. On 16 November 2000, the agreement was again renewed for a period of two years from 1 March 2001. The fee paid by LYP during 2001 was HK\$7,133,000 (NT\$33,333,000). On 13 March 2002, LYP and Era entered into a supplemental agreement to the distribution agreement varying the amount of commission payable by LYP to Era as from 1 January 2002.
- f) Since 1995, Era has been placing advertisements on the cable television channels operated by LYP, as well as the channels or magazines of which LYP was appointed as an agent for recruiting advertisements. The amount received by LYP during 2001 was HK\$7,364,000 (NT\$34,411,000).
- g) Since 1995, LYP has represented Era as its marketing agent to recruit advertisements for certain television channels operated by Era in Taiwan. On 12 July 2001, the parties renewed the arrangement for another year from 1 July 2001. Under the agreement, LYP will deduct 15% of the gross advertising income payable by third party advertisers arising from advertisements placed through LYP on the channels operated by Era as commission and pay the balance to Era on a monthly basis. It is agreed between the parties that LYP shall not receive any commission for the advertisements paid by non-cash consideration. The amount received by LYP from 1 July to 31 December 2001 was HK\$4,169,000 (NT\$19,484,000).
- h) Since 1995, Era has been licensing various programmes to LYP for broadcast on LYP's cable television channels. The amount that LYP paid to Era during 2001 was HK\$1,737,000 (NT\$8,118,000).
- i) Since 1995, LYP has been appointing Era to produce programmes for LYP's use. The fee that LYP paid to Era during 2001 was HK\$464,000 (NT\$2,169,000).
- j) On 31 July 1998, LYP entered into an optical fibre agreement with Era, whereby Era provided to LYP its optical fibre networking service in Taiwan at a monthly fee of NT\$476,190 (exclusive of sales tax) per line provided. The arrangement was from 1 August 1998 to 31 July 2001. The fee paid by LYP to Era from 1 January to 31 July 2001 was HK\$6,420,000 (NT\$30,000,000).