

CHAIRMAN'S STATEMENT

The group profit attributable to shareholders for the year ended 31st March 2002 amounted to HK\$147,335,000 compared to HK\$673,697,000 for the previous year.

Your Directors will recommend a final dividend of 15.0 cents per share at the Annual General Meeting to be held on 20th September 2002. Together with the interim dividend of 10.0 cents per share paid on 22nd January 2002, the total dividend for the year will be 25.0 cents per share, the same as the previous year.

Our associated companies, Hong Kong Movie City Company Limited and Hong Kong Digital Movie City Company Limited, have been informed by the District Lands Office, Sai Kung that the Government has agreed to proceed with the surrender of Town Lot Nos. 67 and 81 in exchange for a new Lot to be known as Town Lot No. 85 combining the above two Lots and some additional land. The land formation work has been completed and tenders for foundation work has been called and will be returned by end of June, 2002. The project is expected to be completed by June 2005.

The District Planning Office, Sai Kung, has gazetted the Draft Clear Water Bay Peninsula North Development Permission Area Plan which includes the development of the Company's Clearwater Bay Site and is awaiting objections, from the public, to the Plan. Based on the draft plan gazetted by the Government, we will be permitted to develop the site to the extent of approximately 63,000 square metres of residential and 17,000 square metres of commercial gross floor area. Final approval of the scope and character of development is expected to take at least another 24 months.

Our associated company, Television Broadcasts Limited, was also a victim of the economic downturn and the 9/11 tragedy, and consequently the contribution to Group profits decreased by HK\$46,257,000, or by 22.98%, compared to the previous year. However, the dividends distributed by Television Broadcasts Limited remained at the same level as the previous year.

Finally, on behalf of the Board and the shareholders, I wish to thank all our staff for their loyalty and dedication to the Company.

Run Run Shaw
Chairman

Hong Kong, 26th June 2002