

### 3 OPERATING PROFIT

(a) Operating profit is stated after crediting and charging the following:

	<b>Six Months Ended 30 June</b>	
	<b>2001</b>	<b>2000</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<u>Crediting</u>		
Gain on disposal of fixed assets	<b>649</b>	-
Write back of provision for programmes and film rights	<b>13,141</b>	14,566
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<u>Charging</u>		
Depreciation - owned fixed assets	<b>90,007</b>	85,936
Loss on disposal of fixed assets	-	103
Provision for diminution in value of investment securities	-	1,341
Costs of programmes, film rights and stocks	<b>536,746</b>	498,001
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(b) Government royalty was levied on the advertising income at rates determined in accordance with Section 41 of the Television (Amendment) Ordinance for the period up to 6 July 2000 and no such royalty was charged thereafter.

### 4 TAXATION

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the group operates.

The amount of taxation charged to the condensed consolidated profit and loss account represents:

	<b>Six Months Ended 30 June</b>	
	<b>2001</b>	<b>2000</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong profits tax	<b>55,401</b>	44,274
Overseas taxation	<b>2,822</b>	2,676
Over provisions in prior periods	<b>(3,834)</b>	-
Deferred taxation	<b>2,439</b>	(3,136)
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	<b>56,828</b>	43,814
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## 5 DIVIDENDS

	<b>Six Months Ended 30 June</b>	
	<b>2001</b>	<b>2000</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
2000 Final dividend, paid, of HK\$0.75 (1999 final paid: HK\$0.60) per ordinary share (note (a))	<b>328,500</b>	262,800
2001 Interim dividend, proposed on 5 September 2001, of HK\$0.20(2000: HK\$0.20) per ordinary share (note (b))	<b>87,600</b>	87,600
	<b>416,100</b>	350,400

Notes: (a) The previously recorded final dividends proposed and declared after the balance sheet date but accrued in the accounts for the years ended 31 December 1999 and 2000 were HK\$262,800,000 and HK\$328,500,000 respectively. Under the group's new accounting policy as described in note 1(a), these have been written back against opening reserves as at 1 January 2000 and 2001 respectively in note 11 and are now charged in the period in which they were proposed.

(b) At a meeting held on 5 September 2001, the directors declared an interim dividend of HK\$0.20 per share. This proposed dividend is not reflected as a dividend payable in these condensed interim accounts, but will be reflected as an appropriation of retained earnings for the year ended 31 December 2001.

## 6 EARNINGS PER SHARE

The earnings per share is calculated based on the group's profit attributable to shareholders of HK\$247,188,000 (2000: HK\$220,873,000) and 438,000,000 shares in issue throughout the six months ended 30 June 2001 and 2000.

## 7 CAPITAL EXPENDITURE

	<b>Property, plant and equipment</b>
	<u>HK\$'000</u>
Six months ended 30 June 2001	
Opening net book amount	991,768
Additions	313,179
Disposals	(1,086)
Depreciation	(90,007)
Exchange differences	(11,744)
<b>Closing net book amount</b>	<b><u>1,202,110</u></b>

## 8 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

Included in trade and other receivables, prepayments and deposits are trade receivables and their aging analysis is as follows:

	<b>30 June 2001</b>	31 December 2000
	<u>HK\$'000</u>	<u>HK\$'000</u>
Current	<b>380,367</b>	455,173
1-2 months	<b>207,446</b>	234,081
2-3 months	<b>122,901</b>	139,715
3-4 months	<b>31,272</b>	48,337
4-5 months	<b>30,817</b>	37,552
Over 5 months	<b>52,791</b>	52,496
	<b><u>825,594</u></b>	<u>967,354</u>

Note:

The group operates a controlled credit policy and allows an average credit period of forty to sixty days to the majority of the group's customers who satisfy the credit evaluation. Cash on delivery, advance payments or bank guarantees are required from other customers of the group.