

**3 TURNOVER** The Group is principally engaged in out-of-home media sales for marketing advertising spaces on the exterior and interior of transit vehicles and engaged in a merchandising business of selling commemorative items.

Turnover recognised during the year is as follows:

	2001 HK\$'000	2000 HK\$'000
Media sales income and sponsorship fee income	260,955	26,561
Media sales management and administrative fee income	19,930	17,094
Sales of merchandise	7,938	8,229
	<u>288,823</u>	<u>51,884</u>

#### 4 OTHER REVENUE

	2001 HK\$'000	2000 HK\$'000
Interest income from bank deposits	11,735	523
Repainting fee income	22	890
Sundry revenue	714	32
	<u>12,471</u>	<u>1,445</u>

Included in the interest income from bank deposits, HK\$3,474,000 were interest income on subscription monies received from the initial public offering of the Company's shares during the year.

#### 5 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit from ordinary activities before taxation is arrived at after charging:

	2001 HK\$'000	2000 HK\$'000
Production cost	11,300	386
Retirement costs included in staff costs	1,321	269
Auditors' remuneration	1,560	22
Operating lease charges	1,275	336
Provision for doubtful debts	7,500	290

## 6 TAXATION

(a) Taxation in the consolidated income statement represents:

	2001 HK\$'000	2000 HK\$'000
Provision for Hong Kong Profits Tax for the year	16,778	5,473
Underprovision/(overprovision) in respect of prior years	2	(10)
	16,780	5,463

The provision for Hong Kong Profits Tax is calculated at 16% (2000: 16%) of the estimated assessable profits for the year ended 31 December 2001.

(b) Taxation in the consolidated balance sheet represents:

	The Group	
	2001 HK\$'000	2000 HK\$'000
Provision for Hong Kong Profits Tax for the year	16,778	5,473
Provisional Profits Tax paid	(440)	(845)
	16,338	4,628
Balance of Profits Tax provision relating to prior years	978	–
	17,316	4,628

(c) Deferred tax has not been provided as timing differences are not likely to reverse in the foreseeable future.

**7 DIRECTORS' REMUNERATION** Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

	2001 HK\$'000	2000 HK\$'000
Fees	455	9
Salary, allowances and other benefits	2,252	444
Retirement benefit contributions	159	27
	2,866	480

Included in the Directors' remuneration were fees and other emoluments of HK\$94,000 (2000: HK\$Nil) paid to the independent Non-Executive Directors during the year.

The remuneration of the Directors is within the following bands:

	Number of Directors	
	2001	2000
HK\$Nil – HK\$1,000,000	1	1
HK\$1,000,001 – HK\$1,500,000	2	–

Save as disclosed above, no Directors' remuneration has been paid or is payable by the Group during the year. There was no arrangement under which a Director waived or agreed to waive any remuneration during the year.

**8 INDIVIDUALS WITH HIGHEST EMOLUMENTS** The five highest paid individuals of the Group include one (2000: one) Director of the Company whose remuneration is reflected in the analysis presented above. Details of emoluments paid by the Group to the remaining highest paid individuals are set out below:

	2001 HK\$'000	2000 HK\$'000
Salary, allowances and other benefits	5,872	2,280
Retirement benefit contributions	237	114
	<b>6,109</b>	<b>2,394</b>

The emoluments of these remaining highest paid individuals fall within the following bands:

	Number of Individuals	
	2001	2000
HK\$Nil – HK\$1,000,000	–	3
HK\$1,000,001 – HK\$1,500,000	3	1
HK\$1,500,001 – HK\$2,000,000	1	–

During the year, no emoluments were paid by the Group to the Directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

**9 PROFIT ATTRIBUTABLE TO SHAREHOLDERS** The consolidated profit attributable to shareholders includes a profit of HK\$5,855,000 (2000: HK\$Nil) which has been dealt with in the financial statements of the Company.

**10 DIVIDENDS** Dividends attributable to the year

	2001 HK\$'000	2000 HK\$'000
Interim dividend declared (2000: HK\$10 million per share)	–	10,000
Final dividend proposed after the balance sheet date of HK3.8 cents per share	37,304	–
	<b>37,304</b>	<b>10,000</b>

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

The dividend of HK\$10,000,000 in respect of the year ended 31 December 2000 declared by a subsidiary of the Group to its then shareholder prior to the Reorganisation has not yet been paid and was recorded as dividend payable in the consolidated balance sheet at 31 December 2000.

## 11 EARNINGS PER SHARE

**(a) Basic earnings per share** The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of HK\$175,108,000 (2000: HK\$30,695,000) and the weighted average of 829,459,995 ordinary shares (2000: 625,000,000 shares) in issue during the year, being the shares that would have been in issue throughout the year on the assumption that the Reorganisation as set out in the section headed "Corporate Reorganisation" in Appendix 6 of the Prospectus were complete on 1 January 2000.

**(b) Diluted earnings per share** The diluted earnings per share for the year ended 31 December 2001 is not presented as the potential ordinary shares in respect of outstanding shares are anti-dilutive. The exercise of the share options would not have any dilutive effect on the earnings per share for the year ended 31 December 2001. There were no dilutive potential ordinary shares in issue during 2000.

The calculation of diluted earnings per share for the year ended 31 December 2000 is based on the combined profit attributable to shareholders of HK\$30,695,000 divided by the proforma 625,000,000 shares in issue and issuable immediately before the new issue and placing of the Company's shares on the Listing Date.

**12 SEGMENT REPORTING** Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

**Business segments** The Group comprises the following main business segments:  
Media sales services: The provision of audio-video programming through a Multi-media On-board system on transit vehicles and the marketing advertising spaces on the exterior of transit vehicles and transit vehicle shelters.

Media sales management and administrative services: The management and administration of the exterior advertising spaces on transit vehicles.

Merchandising business: The selling of commemorative items.

	Media sales services		Media sales management and administrative services		Merchandising business		Consolidated	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Revenue from external customers	260,955	26,561	19,930	17,094	7,938	8,229	288,823	51,884
Other revenue from external customers	504	–	22	890	–	–	526	890
Total	261,459	26,561	19,952	17,984	7,938	8,229	289,349	52,774
Segment result	174,125	17,428	17,738	14,816	3,748	4,129	195,611	36,373
Unallocated operating income and expenses							6,224	124
Profit from operations							201,835	36,497
Taxation							(16,780)	(5,463)
Minority interests							(9,947)	(339)
Profit attributable to shareholders							175,108	30,695
Depreciation for the year	18,621	219	–	–	–	–		
Significant non-cash expenses (other than depreciation and amortisation)	7,581	290	–	–	–	–		
Segment assets	304,783	16,703	11,327	1,509	3,803	4,718	319,913	22,930
Unallocated assets							590,759	58,071
Total assets							910,672	81,001
Segment liabilities	20,369	5,647	–	1,521	2,301	1,596	22,670	8,764
Unallocated liabilities							14,993	14,861
Total liabilities							37,663	23,625
Capital expenditure incurred during the year	133,765	5,865					133,765	5,865

### Geographical segments

The Group's turnover and operating profit are almost entirely derived from Hong Kong. Accordingly, no analysis by geographical segment is provided.