

NOTES TO CONDENSED INTERIM ACCOUNTS (Continued)

2 SEGMENT INFORMATION (Continued)

Secondary reporting format - geographical segments

Although the group's five business segments are managed on a worldwide basis, the sales are generated in eight main geographical areas:

Hong Kong - terrestrial television broadcasting with programme production, website portal and magazine publication

Taiwan - cable television channel services

USA and Canada - licensing and distribution of television programmes and satellite pay TV operations

Australia - licensing and distribution of television programmes and satellite pay TV operations

Europe - licensing and distribution of television programmes and satellite pay TV operations

Mainland China - licensing and distribution of television programmes and satellite TV channel services

Malaysia and Singapore - licensing and distribution of television programmes

Other countries - principally licensing and distribution of television programmes

An analysis of the group's turnover and contribution to operating profit/(loss) for the period by geographical segments is as follows:

	Turnover		Operating Profit/(Loss)	
	Six Months Ended 30 June		Six Months Ended 30 June	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Geographical segments:				
Hong Kong	800,387	1,007,620	143,057	337,652
Taiwan	260,821	251,157	(769)	(31,803)
USA and Canada	93,361	96,673	21,172	(9,519)
Australia	20,509	17,651	(25,086)	(25,229)
Europe	40,994	41,089	2,607	(3,186)
Mainland China	33,193	30,344	3,139	1,012
Malaysia and Singapore	120,551	80,141	59,909	27,579
Other countries	16,131	17,699	5,394	2,898
	1,385,947	1,542,374	209,423	299,404

Sales are based on the location in which the customers are located. There are no sales between the geographical segments.

3 OTHER REVENUES

	Six Months Ended 30 June	
	2002	2001
	HK\$'000	HK\$'000
Interest income	5,627	29,305
Others	12,864	10,540
	18,491	39,845

NOTES TO CONDENSED INTERIM ACCOUNTS (Continued)

4 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Six Months Ended 30 June	
	2002	2001
	HK\$'000	HK\$'000
<u>Crediting</u>		
Gain on disposal of fixed assets	103	649
Write back of provision for programmes and film rights	-	13,141
<u>Charging</u>		
Depreciation - owned fixed assets	83,168	90,007
Depreciation - leased fixed assets	132	-
Cost of programmes, film rights and stocks	466,717	536,746

5 TAXATION

Hong Kong profits tax has been provided at the rate of 16% (2001: 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:

	Six Months Ended 30 June	
	2002	2001
	HK\$'000	HK\$'000
Hong Kong profits tax	29,717	55,401
Overseas taxation	2,071	2,822
Under/(over) provisions in prior periods	46	(3,834)
Deferred taxation	(1,939)	2,439
	29,895	56,828

6 DIVIDENDS

	Six Months Ended 30 June	
	2002	2001
	HK\$'000	HK\$'000
Interim dividend, proposed, of HK\$0.20 (2001: HK\$0.20) per ordinary share (note (b))	87,600	87,600
	87,600	87,600

Notes: (a) At a meeting held on 27 March 2002 the directors proposed a final dividend of HK\$0.75 per ordinary share for the year ended 31 December 2001, which was paid on 5 June 2002 and has been reflected as an appropriation of retained earnings in these condensed interim accounts for the six months ended 30 June 2002.

(b) At a meeting held on 4 September 2002 the directors declared an interim dividend of HK\$0.20 per ordinary share for the year ended 31 December 2002. 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 2002.

NOTES TO CONDENSED INTERIM ACCOUNTS (Continued)

7 EARNINGS PER SHARE

The earnings per share is calculated based on the group's profit attributable to shareholders of HK\$161,866,000 (2001: HK\$247,188,000) and 438,000,000 shares in issue throughout the six months ended 30 June 2002 and 2001.

8 CAPITAL EXPENDITURE

	Property, plant and equipment
	HK\$'000
Six months ended 30 June 2002	
Opening net book amount	1,653,700
Additions	426,617
Disposals	(432)
Depreciation (note 4)	(83,300)
Exchange differences	27,621
Closing net book amount	2,024,206

9 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:

	30 June 2002	31 December 2001
	HK\$'000	HK\$'000
Current	368,594	451,462
1-2 months	235,171	276,536
2-3 months	120,084	131,018
3-4 months	39,890	52,552
4-5 months	17,285	19,421
Over 5 months	95,950	77,877
	876,974	1,008,866

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.

NOTES TO CONDENSED INTERIM ACCOUNTS (Continued)

10 TRADE AND OTHER PAYABLES AND ACCRUALS

Included in trade and other payables and accruals are trade payables and their aging analysis is as follows:

	30 June 2002	31 December 2001
	HK\$'000	HK\$'000
Current	115,780	139,638
1-2 months	26,703	17,320
2-3 months	4,381	2,942
3-4 months	1,657	809
4-5 months	1,071	683
Over 5 months	2,568	2,211
	152,160	163,603

11 SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each	Nominal value
		HK\$'000
Authorised:		
At 1 January 2001 and 2002 and 30 June 2002	1,300,000,000	65,000
Issued and fully paid:		
At 1 January 2001 and 2002 and 30 June 2002	438,000,000	21,900