

of the company, the homevideo licensing and distribution rights of the company's programmes in an overseas location. The income received by the SUB during the six months ended 30 June 2001 was nil (2000: HK\$1,365,000).

- (j) On 16 April 1999, a wholly owned subsidiary of the company (SUB) entered into a sub-lease agreement with the minority shareholder (MI) of a non-wholly owned subsidiary of the company to lease part of the satellite transponder capacity to the MI. The sub-lease agreement was superseded by a revised agreement dated 13 January 2000 varying the contract period and the monthly fee. On 28 April 2001, the SUB and MI have entered into a supplementary agreement to the revised agreement, pursuant to which the parties agreed that the transponder capacity leased from the SUB to MI will be reduced from 27MHZ to 13.5MHZ as from 1 March 2001. Accordingly, the fee payable by the MI to the SUB was reduced by approximately HK\$431,000 per month. The reduction was mutually agreed and therefore no penalty is being imposed on the MI. The fee received by the SUB during the six months ended 30 June 2001 was HK\$5,218,000 (2000: HK\$6,933,000).
- (k) On 30 June 2000, a wholly owned subsidiary of the company (SUB) entered into a master production agreement with the minority shareholder (MI) of a non-wholly owned subsidiary of the company, to produce for the MI certain films/programmes in Mandarin language for a period of one year from 1 July 1999. On 5 January 2001, both parties agreed to renew the agreement for another one year from 1 July 2000 on the same terms and condition except that the right of the MI in exploiting the films/programmes is extended to video compact disc format. The fee received by the SUB during the six months ended 30 June 2001 was HK\$6,079,000 (2000: HK\$6,325,000).
- (l) A non-wholly owned subsidiary of the company (SUB) entered into various agreements with a jointly controlled entity (JCE) to provide satellite transmission service to the SUB. The service fee paid by the SUB to the JCE during the six months ended 30 June 2001 was HK\$5,193,000 (2000: HK\$5,702,000).
- (m) A non-wholly owned subsidiary of the company (SUB) was appointed by its associated company (ASSO) to be the advertising agent to recruit advertisements in the magazine published by the ASSO in an overseas location, whereby the SUB received an agreed percentage of the advertising revenue. The income received by the SUB during the six months ended 30 June 2001 was HK\$2,467,000 (2000: HK\$2,645,000).
- (n) Since October 1995, a wholly owned subsidiary of the company (SUB) entered into an arrangement with the minority shareholder (MI) of a non-wholly owned subsidiary of the company in connection with the supply of programmes by the SUB to the MI for distribution in certain overseas locations. The total income earned by the SUB during the six months ended 30 June 2001 was HK\$18,119,000 (2000: HK\$14,493,000).

- (o) On 8 October 1995, a wholly owned subsidiary of the company (SUB) entered into an agreement with the minority shareholder (MI) of a non-wholly owned subsidiary of the company in respect of the provision of technical, management, sales and marketing services by the SUB to the MI. The income earned by the SUB during the six months ended 30 June 2001 was HK\$7,677,000 (2000: HK\$1,544,000).
- (p) Since 1995, the minority shareholder (MI) of a non-wholly owned subsidiary of the company has been placing advertisements on the cable television channels operated by the non-wholly owned subsidiary (SUB), as well as the channels or magazines of which the SUB was appointed as an agent for recruiting advertisements. The amount received by the SUB during the six months ended 30 June 2001 was HK\$5,141,000 (2000: HK\$2,772,000).
- (q) A non-wholly owned subsidiary of the company (SUB) has obtained licenses from various independent news agencies to use their respective news reports for television broadcast in an overseas location. While the licensing period with each news agency vary, the earliest license commencement date was 1 June 2000. Since 19 June 2000, the SUB has sub-licensed its right to use such news reports to its minority shareholder (MI) for television broadcast in an overseas location on the channels owned by the MI at a fee based on actual usage and the fee payable to the news agencies by the SUB. The fee charged by the SUB to the MI during the six months ended 30 June 2001 was HK\$807,000 (2000: HK\$62,000).
- (r) On 10 April 2001, a non-wholly owned subsidiary of the company (SUB) entered into an agreement with its minority shareholder (MI) for the period from 28 October 2000 to 31 December 2001 in respect of the provision of satellite equipment and technical services by the SUB to MI and the provision of satellite relay programme services by the MI to the SUB in an overseas location. Pursuant to the agreement, the SUB agrees to pay a monthly fee of approximately HK\$1,387,000 whereas MI agrees to pay a monthly fee of approximately HK\$690,000. The fee is inclusive of 5% sales tax. During the six months ended 30 June 2001, the fee receivable by the SUB was HK\$7,926,000 (2000: nil) and the amount payable to the MI was HK\$3,943,000 (2000: nil).

Apart from the above, other related party transactions, the amounts of which involved were not significant to the group, include:

- Rental income from leasing of facilities,
- Income from licensing of telecast rights,
- Income from production of television programmes,
- Income from providing services for programmes productions,
- Income from providing the use of information system,
- Expenses on production of television programmes,
- Advertising and agency income, and
- Purchase of film rights.