

25 LONG TERM LIABILITIES

	Group	
	2001	2000
	HK\$'000	HK\$'000
Loans and notes payable		
- Unsecured	910	965
- Secured	91,652	95,898
	92,562	96,863
Obligations under finance leases	591	-
	93,153	96,863
Amounts due within one year included under current liabilities	(20,911)	(18,577)
	72,242	78,286
The analysis of the above is as follows:		
Bank loans		
- wholly repayable within five years	62,574	59,790
- not wholly repayable within five years	24,507	31,449
	87,081	91,239
Other loans and notes payable		
- wholly repayable within five years	5,481	5,624
	92,562	96,863
Obligations under finance leases		
- wholly repayable within five years	591	-
	93,153	96,863
Amounts due within one year included under current liabilities	(20,911)	(18,577)
	72,242	78,286

At 31 December 2001, the group's bank loans, other loans and notes payable (excluding finance lease liabilities) were repayable as follows:

	Bank loans		Other loans and notes payable	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
- within one year	19,736	17,525	1,004	1,052
- in the second year	19,444	17,766	102	94
- in the third to fifth year	23,394	24,499	4,375	4,478
- after the fifth year	24,507	31,449	-	-
	87,081	91,239	5,481	5,624

At 31 December 2001, the group's finance lease liabilities were repayable as follows:

	Group	
	2001	2000
	HK\$'000	HK\$'000
- within one year	223	-
- in the second year	223	-
- in the third to fifth year	274	-
	720	-
Future finance charges on finance leases	(129)	-
Present value of finance lease liabilities	591	-

The present value of finance lease liabilities is as follows:

- within one year	171	-
- in the second year	171	-
- in the third to fifth year	249	-
	591	-

26 DEFERRED TAXATION

	Group		Company	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January	(776)	(2,751)	7,470	4,275
Transfer from profit and loss account (note 8)	53,092	1,964	51,775	3,195
Exchange differences	122	11	-	-
At 31 December	52,438	(776)	59,245	7,470
Provided for in respect of :				
Accelerated depreciation allowances	49,673	5,901	54,262	4,239
Other timing differences	2,765	(6,677)	4,983	3,231
	52,438	(776)	59,245	7,470

27 CONTINGENT LIABILITIES

	Group		Company	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Guarantees for banking facilities granted to				
- subsidiaries	-	-	120,096	163,021
- an investee company	5,611	5,954	-	-
Guarantees for a performance bond granted to a subsidiary (note a)	88,000	-	88,000	-
	93,611	5,954	208,096	163,021

- (a) A wholly owned subsidiary of the company was issued the Pay TV Licence (the Licence) by the Government of Hong Kong Special Administrative Region (the Government) on 5 December 2000. Pursuant to one of the Licence conditions, the subsidiary submitted to the Broadcasting Authority a performance bond issued by a bank in the amount of HK\$88 million, in favour of the Government. The performance bond is to secure the compliance by the subsidiary of its obligations to roll-out domestic pay television service in accordance with the terms of the Licence. The company has granted a guarantee to the bank in respect of the issue of this performance bond.
- (b) Management anticipate that no material liabilities will arise from the above bank and other guarantees which arose in the ordinary course of business.

- (c) In relation to the dispute between the company and the Composers and Authors Society of Hong Kong Limited (CASH) with respect to the basis for determining annual licence fee payable to CASH for the performing rights controlled and administered by CASH, despite that the terms of the settlement were agreed in principle in early February 2001, the settlement agreement was not concluded due to CASH reneging from the agreed terms. The dispute is therefore being referred back to the Copyright Tribunal for determination and the hearing of the reference is expected to take place sometime in the second half of the year 2002. The company is paying an interim licence fee of HK\$19,772,000 for the year 2001 to CASH pending the outcome of the Tribunal reference and subject to the final adjustment as determined by the Tribunal. The directors are of the opinion that the final adjustment as determined by the Tribunal will not have a material adverse effect on the financial position of the group and consequently no provision has been made in the accounts.

28 CAPITAL COMMITMENTS

The amounts of commitments for fixed assets are as follows:

	Group		Company	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Authorised but not contracted for	651,314	894,517	565,773	797,899
Contracted but not provided for	646,946	1,257,512	631,681	1,218,701
	1,298,260	2,152,029	1,197,454	2,016,600

The group's share of commitments for fixed assets of the jointly controlled entities themselves not included in the above are as follows :

	Group		Company	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Authorised but not contracted for	98	4,603	-	-
Contracted but not provided for	42	-	-	-
	140	4,603	-	-

29 OPERATING LEASE COMMITMENTS

At 31 December 2001, the group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	As restated 2001	As restated 2000	As restated 2001	As restated 2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Land and buildings				
-not later than one year	110,690	145,187	96,879	96,494
-later than one year and not later than five years	159,095	261,185	130,752	226,393
-later than five years	-	1,873	-	1,238
	269,785	408,245	227,631	324,125
Equipment and transponders				
-not later than one year	138,945	61,808	-	-
-later than one year and not later than five years	401,091	216,809	-	-
-later than five years	142,733	155,759	-	-
	682,769	434,376	-	-
	952,554	842,621	227,631	324,125

30 TELEVISION BROADCASTING LICENCE

The company operates under the terms of a licence granted by the Government of Hong Kong Special Administrative Region (the Government) which expired on 30 November 2000. As the licensing and regulatory policies for Digital Terrestrial Television are yet to be finalised, the Government has extended the company's licence for three years up to 30 November 2003. Since October 2001, the Government has commenced procedures of review and a decision is expected around November 2002. If a renewal of the licence is granted, it will cover a period of twelve years commencing 1 December 2003.

31 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	2001	2000
	HK\$'000	HK\$'000
(a) Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	704,645	915,461
Depreciation charges	173,668	187,011
Provision for diminution in value of investment securities	-	11,699
Loss on disposal of fixed assets	12,342	2,311
Gain on deemed disposal of subsidiaries	-	(129,393)
Increase in programmes, film rights and stocks	(43,183)	(112,032)
(Increase)/decrease in trade and other receivables, prepayments and deposits	(40,204)	13,557
(Decrease)/increase in trade and other payables and accruals	(35,932)	197,522
Decrease in accrual for government royalty	(14,902)	(44,926)
Interest income	(49,868)	(82,030)
Exchange differences	3,458	(95)
Net cash inflow from operating activities	710,024	959,085