

## NOTES TO CONDENSED INTERIM ACCOUNTS (Continued)

### 12 RESERVES

	Share premium	General reserve	Capital reserve	Legal reserve	Exchange fluctuation reserve	Capital redemption reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2001, as previously reported	602,026	70,000	1,171	7,468	3,435	40,118	1,908,790	2,633,008
Effect of adopting SSAP 9 (revised)	-	-	-	-	-	-	328,500	328,500
At 1 January 2001, as restated	602,026	70,000	1,171	7,468	3,435	40,118	2,237,290	2,961,508
Arising on consolidation								
- subsidiaries	-	-	-	-	(8,302)	-	-	(8,302)
- jointly controlled entities	-	-	-	-	(9,613)	-	-	(9,613)
- associated companies	-	-	-	-	(1,542)	-	-	(1,542)
Exchange translation differences	-	-	-	-	5,557	-	(5,557)	-
Profit for the year	-	-	-	-	-	-	596,250	596,250
2000 Final dividend paid	-	-	-	-	-	-	(328,500)	(328,500)
2001 Interim dividend paid	-	-	-	-	-	-	(87,600)	(87,600)
At 31 December 2001	602,026	70,000	1,171	7,468	(10,465)	40,118	2,411,883	3,122,201
Representing:								
2001 Final dividend proposed							328,500	
Others							2,083,383	
Retained earnings at 31 December 2001							<u>2,411,883</u>	
At 1 January 2002	602,026	70,000	1,171	7,468	(10,465)	40,118	2,411,883	3,122,201
Arising on consolidation								
- subsidiaries	-	-	-	-	1,376	-	-	1,376
- jointly controlled entities	-	-	-	-	7,231	-	-	7,231
- associated companies	-	-	-	-	1,792	-	-	1,792
Exchange translation differences	-	-	-	-	2,811	-	(2,811)	-
Profit for the period	-	-	-	-	-	-	161,866	161,866
2001 Final dividend paid (note 6(a))	-	-	-	-	-	-	(328,500)	(328,500)
At 30 June 2002	602,026	70,000	1,171	7,468	2,745	40,118	2,242,438	2,965,966
Representing:								
2002 Interim dividend proposed							87,600	
Others							2,154,838	
Retained earnings at 30 June 2002							<u>2,242,438</u>	

## NOTES TO CONDENSED INTERIM ACCOUNTS (Continued)

### 13 LONG TERM LIABILITIES

	30 June 2002	31 December 2001
	HK\$'000	HK\$'000
Loans and notes payable		
- Unsecured	950	910
- Secured	90,806	91,652
	<b>91,756</b>	92,562
Obligations under finance leases	557	591
	<b>92,313</b>	93,153
Current portion of long term liabilities	(23,853)	(20,911)
	<b>68,460</b>	72,242

At 30 June 2002, 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	
	30 June 2002	31 December 2001	30 June 2002	31 December 2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
- within one year	22,617	19,736	1,048	1,004
- in the second year	15,007	19,444	107	102
- in the third to fifth year	24,438	23,394	4,322	4,375
- after the fifth year	24,217	24,507	-	-
	<b>86,279</b>	87,081	<b>5,477</b>	5,481

At 30 June 2002, the group's finance lease liabilities were repayable as follows:

	30 June 2002	31 December 2001
	HK\$'000	HK\$'000
- within one year	244	223
- in the second year	244	223
- in the third to fifth year	182	274
	<b>670</b>	720
Future finance charges on finance leases	(113)	(129)
Present value of finance lease liabilities	<b>557</b>	591

## NOTES TO CONDENSED INTERIM ACCOUNTS (Continued)

### 13 LONG TERM LIABILITIES (Continued)

	<b>30 June 2002</b>	31 December 2001
	<b>HK\$'000</b>	HK\$'000
The present value of finance lease liabilities is as follows:		
- within one year	<b>188</b>	171
- in the second year	<b>188</b>	171
- in the third to fifth year	<b>181</b>	249
	<b>557</b>	591

### 14 CONTINGENT LIABILITIES

	<b>30 June 2002</b>	31 December 2001
	<b>HK\$'000</b>	HK\$'000
(a) Guarantees for banking facilities granted to an investee company	<b>1,610</b>	5,611
(b) Guarantees for a performance bond granted to a subsidiary	<b>88,000</b>	88,000
	<b>89,610</b>	93,611

(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 was therefore referred back to the Copyright Tribunal for determination. Prior to the hearing of the reference, the company has entered into a Licence Agreement with CASH on 17 April 2002. The agreement provides the company a licence of seven years commencing 1 January 2002 and an option of automatic renewal, year after year, after 31 December 2008 unless terminated by either party with six months' written notice. The final fee agreed on the new licence has no significant impact on the group's accounts for the period.

(d) On 18 July 2002, Galaxy Satellite Broadcasting Limited (GSBL), a wholly owned subsidiary of the company was served a court claim filed by Americom Asia-Pacific, LLC, issued in London for outstanding satellite transponder service fees in the total sum of US\$1,132,235 pursuant to the GE-1A Satellite Transponder Service Agreement made between the parties in September 2000. GSBL is contesting the claim and therefore no provision is made in the group's accounts for the period.

## NOTES TO CONDENSED INTERIM ACCOUNTS (Continued)

### 15 CAPITAL COMMITMENTS

The amounts of commitments for fixed assets are as follows:

	<b>30 June 2002</b>	31 December 2001
	<b>HK\$'000</b>	HK\$'000
Authorised but not contracted for	<b>382,317</b>	651,314
Contracted but not provided for	<b>458,089</b>	646,946
	<b>840,406</b>	1,298,260

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

	<b>30 June 2002</b>	31 December 2001
	<b>HK\$'000</b>	HK\$'000
Authorised but not contracted for	<b>107</b>	98
Contracted but not provided for	<b>47</b>	42
	<b>154</b>	140

### 16 OPERATING LEASE COMMITMENTS

At 30 June 2002, the group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	<b>30 June 2002</b>		31 December 2001	
	<b>Land and buildings</b>	<b>Equipment and transponders</b>	<b>Land and buildings</b>	<b>Equipment and transponders</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	HK\$'000	HK\$'000
-not later than one year	<b>107,032</b>	<b>94,362</b>	110,690	138,945
-later than one year and not later than five years	<b>111,756</b>	<b>246,759</b>	159,095	401,091
-later than five years	<b>-</b>	<b>127,647</b>	-	142,733
	<b>218,788</b>	<b>468,768</b>	269,785	682,769