

NOTES TO THE ACCOUNTS (Continued)

14 JOINTLY CONTROLLED ENTITIES

	Group	
	2002	2001
	HK\$'000	HK\$'000
Share of net assets	61,861	85,829
Loan to a jointly controlled entity (note a)	19,018	18,924
	80,879	104,753
Unlisted shares, at cost	160,565	160,565

Notes:

(a) The loan to a jointly controlled entity is unsecured and interest free, and has no fixed terms of repayment.

(b) Details of the jointly controlled entities are listed below:

Name	Place of incorporation	Principal activities and place of operation	Percentage of interest in ownership
Hsin Chi Broadcast Co. Ltd.	Taiwan	Satellite digital television broadcasting services in Taiwan	40%
上海新视线互动多媒体有限公司	The People's Republic of China	Internet web portal in Mainland China	50%

15 ASSOCIATED COMPANIES

	Group	
	2002	2001
	HK\$'000	HK\$'000
Share of net assets	25,685	19,247
Unlisted shares, at cost	39,419	32,634

NOTES TO THE ACCOUNTS (Continued)

15 ASSOCIATED COMPANIES (Continued)

Details of the associated companies are listed below:

Name	Place of incorporation	Principal activities and place of operation	Particulars of issued shares held	Percentage of interest in ownership
TVB3 Network Company Limited	Thailand	Television production and programming service in Thailand	Ordinary shares of Baht10 each	40.00%
Interface Co. Ltd.	Taiwan	Magazine publications in Taiwan	Ordinary shares of NT\$10 each	35.26%

16 INVESTMENTS IN SECURITIES

	Group		Company	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Held-to-maturity debt securities (note a)	-	49,825	-	49,825
Investment securities (note b)	4,698	4,550	-	-
	4,698	54,375	-	49,825
Amounts maturing within one year included under current assets	-	(49,825)	-	(49,825)
	4,698	4,550	-	-

The analysis of the above is as follows:

(a) Held-to-maturity debt securities

Debt securities, at amortised cost

Listed outside Hong Kong	-	49,825	-	49,825
--------------------------	---	--------	---	--------

Debt securities maturing within

one year included under current assets	-	(49,825)	-	(49,825)
--	---	----------	---	----------

	-	-	-	-
--	---	---	---	---

Market value of listed debt securities

	-	50,099	-	50,099
--	---	--------	---	--------

NOTES TO THE ACCOUNTS (Continued)

16 INVESTMENTS IN SECURITIES (Continued)

(b) Investment securities

	Group		Company	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Equity securities, at cost				
Unlisted	20,140	19,989	-	-
Less : Provision for impairment losses	(15,442)	(15,439)	-	-
	4,698	4,550	-	-

17 LOANS TO INVESTEE COMPANIES

	Group	
	2002	2001
	HK\$'000	HK\$'000
Loans to investee companies	48,940	48,869
Less: Provision	(38,053)	(38,045)
	10,887	10,824

The loans to the investee companies are unsecured and interest free, and have no fixed terms of repayment, except for HK\$6,313,000 (2001: HK\$6,275,000) which carries interest at 2% per annum above the Canadian Prime Rate. The provision was made by the directors for the amounts considered irrecoverable.

18 STOCKS

At 31 December 2002 and 31 December 2001, all stocks are stated at cost.

19 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Group		Company	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Due from :				
Jointly controlled entities	53	-	-	-
Associated companies	2,751	2,257	-	-
Investee company	1,922	275	-	-
Related parties (note a)	64,856	15,763	-	-
Trade receivables (note b)	773,939	1,008,866	522,254	654,332
Less : Provision for doubtful debts	(59,058)	(72,891)	(35,257)	(38,835)
Prepayments, deposits and other receivables	180,879	192,697	86,241	99,316
	965,342	1,146,967	573,238	714,813

NOTES TO THE ACCOUNTS (Continued)

19 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes:

- (a) As at 31 December 2002, amounts due from related parties of HK\$13,096,000 (2001: nil) were pledged as security for certain short term loans granted to the group.
- (b) 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.

At 31 December 2002, the aging analysis of the trade receivables including trading balances due from associated companies, an investee company and related parties were as follows:

	Group		Company	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current	406,356	451,738	245,108	274,422
1-2 months	182,887	276,536	137,153	212,551
2-3 months	119,576	131,018	88,789	95,830
3-4 months	59,209	52,573	33,789	34,766
4-5 months	18,893	20,932	6,745	10,666
Over 5 months	46,135	78,601	10,670	26,097
	833,056	1,011,398	522,254	654,332
Trade receivables due from:				
Third parties	773,939	1,008,866	522,254	654,332
Associated companies, an investee company and related parties	59,117	2,532	-	-
	833,056	1,011,398	522,254	654,332

20 TRADE AND OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2002	As restated 2001	2002	As restated 2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Due to :				
Jointly controlled entities	2,993	3,369	-	-
Associated companies	16,698	27,983	-	-
Related parties	31,718	48,845	-	-
Trade payables	130,612	163,603	96,644	117,759
Other accounts payables and accruals	393,787	493,525	156,064	231,454
	575,808	737,325	252,708	349,213

NOTES TO THE ACCOUNTS (Continued)

20 TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

At 31 December 2002, the aging analysis of the trade payables including trading balances due to jointly controlled entities, associated companies and related parties were as follows:

	Group		Company	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current	98,645	159,783	61,194	114,228
1-2 months	45,117	41,435	26,100	2,146
2-3 months	14,207	21,645	8,526	878
3-4 months	3,711	6,878	732	98
4-5 months	3,173	6,045	33	394
Over 5 months	17,122	7,449	59	15
	181,975	243,235	96,644	117,759
Trade payables due to:				
Third parties	130,612	163,603	96,644	117,759
Jointly controlled entities, associated companies and related parties	51,363	79,632	-	-
	181,975	243,235	96,644	117,759

21 BANK DEPOSITS AND OVERDRAFTS

(a) At 31 December 2002, the group has pledged bank deposits of HK\$1,618,000 (2001: HK\$7,134,000) to secure certain banking facilities and credit facilities granted to the group.

(b) At 31 December 2002, bank overdrafts of HK\$45,970,000 are unsecured. At 31 December 2001, bank overdrafts of HK\$37,579,000 were secured by the current assets of HK\$2,575,000 and fixed assets with net book value of HK\$11,868,000.

22 SHORT TERM LOANS

	Group		Company	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Short term bank loans, secured	85,122	14,980	-	-
Short term bank loans, unsecured	147,664	156,755	30,000	-
Other short term loans, unsecured	-	4,212	-	-
	232,786	175,947	30,000	-

NOTES TO THE ACCOUNTS (Continued)

23 PENSIONS OBLIGATIONS

	Group	
	2002	2001
	HK\$'000	HK\$'000
Obligations on:		
- pensions - defined contribution plans (note a)	6,640	6,863
- pensions - defined benefits plans (note b)	7,642	6,224
	14,282	13,087

Notes:

(a) Pensions - defined contribution plans

Forfeited contributions totalling HK\$4,370,000 (2001: HK\$4,697,000) were utilised during the year.

Contributions totalling HK\$6,640,000 (2001: HK\$6,863,000) were payable to the fund at the year-end and are included in other accounts payables and accruals.

(b) Pensions - defined benefits plans

The group operates a defined benefit retirement scheme providing benefits to eligible employees located in Taiwan under the local regulations.

The pension plan is a final salary defined benefit plan. The assets of the funded plan are held separately from those of the group, being invested through a central trust fund. The plan is valued by a qualified actuary annually using the projected unit credit method. The latest valuation of the defined benefit plan in Taiwan was carried out as of 31 December 2002 by PricewaterhouseCoopers. This valuation showed that the aggregate past service liabilities were fully covered by net assets available for benefits.

The amounts recognised in the balance sheet are determined as follows:

	Group	
	2002	2001
	HK\$'000	HK\$'000
Present value of funded obligations	21,278	14,445
Fair value of plan assets	(11,214)	(8,221)
	10,064	6,224
Unrecognised actuarial losses	(2,422)	-
Liability in the balance sheet	7,642	6,224

NOTES TO THE ACCOUNTS (Continued)

23 PENSIONS OBLIGATIONS (Continued)

(b) Pensions - defined benefits plans (Continued)

The amounts recognised in the profit and loss account were as follows:

	Group	
	2002	2001
	HK\$'000	HK\$'000
Current service cost	3,197	2,695
Interest cost	580	545
Expected return on plan assets	(347)	(321)
	<hr/>	<hr/>
Total, included in staff costs (note 4)	3,430	2,919

Movement in the liability recognised in the balance sheet:

	Group	
	2002	2001
	HK\$'000	HK\$'000
At 1 January	6,224	6,244
Exchange differences	297	(594)
Total expense - as shown above	3,430	2,919
Contributions paid	(2,309)	(2,345)
	<hr/>	<hr/>
At 31 December	7,642	6,224

The principal actuarial assumptions used were as follows:

	Group	
	2002	2001
	%	%
Discount rate	4.00	4.25
Expected rate of return on plan assets	3.25	4.00
Expected rate of future salary increases	3.00	3.00

24 SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each	Nominal value HK\$'000
Authorised:		
At 1 January 2002 and 31 December 2002	1,300,000,000	65,000
Issued and fully paid:		
At 1 January 2002 and 31 December 2002	438,000,000	21,900