

## NOTES TO THE ACCOUNTS (Continued)

### 15 JOINTLY CONTROLLED ENTITIES

	Group	
	2003	2002
	HK\$'000	HK\$'000
Share of net assets	3,737	61,861
Loan to a jointly controlled entity (note (a))	18,977	19,018
	<b>22,714</b>	<b>80,879</b>
Unlisted shares, at cost	<b>74,007</b>	<b>160,565</b>

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%

### 16 ASSOCIATED COMPANIES

	Group		Company	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Share of net assets	500,001	25,685	-	-
Loan to an associated company (note (a))	115,564	-	115,564	-
Amount due from an associated company (note (b))	5,319	-	5,319	-
Amount due to an associated company (note (c))	(382,650)	-	-	-
	<b>238,234</b>	<b>25,685</b>	<b>120,883</b>	<b>-</b>
Unlisted shares, at cost	<b>521,975</b>	<b>39,419</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ACCOUNTS (Continued)

### 16 ASSOCIATED COMPANIES (Continued)

Notes:

- (a) The loan to an associated company carries an interest rate at 8% per annum compounded annually and is secured by a promissory note.
- (b) Amount due from an associated company is unsecured, interest free and has no fixed terms of repayment.
- (c) The amount represents the payable for the cost of investment in an associated company which is unsecured and interest free. According to the Subscription and Shareholders Agreement (“Agreement”) entered into with Intelsat Hong Kong Limited, the amount is to be paid over a period of four years from the date of the Agreement.

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%
Galaxy Satellite TV Holdings Limited	Hong Kong	Investment holding in Hong Kong	Ordinary shares of HK\$1 each	49%
Galaxy Satellite Broadcasting Limited	Hong Kong	Domestic pay television programme service in Hong Kong	Ordinary shares of HK\$1 each	#49%

# associated company held indirectly by the group

### 17 INVESTMENT SECURITIES

	Group	
	2003	2002
	HK\$'000	HK\$'000
Equity securities, at cost		
Unlisted	21,354	20,140
Less: Provision for impairment loss	(17,696)	(15,442)
	<b>3,658</b>	<b>4,698</b>

## NOTES TO THE ACCOUNTS (Continued)

### 18 LOANS TO INVESTEE COMPANIES

	Group	
	2003	2002
	HK\$'000	HK\$'000
Loans to investee companies	51,084	48,940
Less: Provision	(37,884)	(38,053)
	<b>13,200</b>	10,887

The loans to the investee companies are unsecured and interest free, and have no fixed terms of repayment, except for HK\$7,654,000 (2002: HK\$6,313,000) which carries interest at 2% per annum above the Canadian Prime Rate. The provision was made by the directors for the amounts considered irrecoverable.

### 19 STOCKS

At 31 December 2003 and 31 December 2002, all stocks are stated at cost.

### 20 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Group		Company	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Due from:				
Jointly controlled entities	1,950	53	-	-
Associated companies	-	2,751	-	-
An investee company	2,105	1,922	-	-
Related parties (note (a))	20,388	64,856	-	-
Trade receivables (note (b))	833,954	773,939	553,498	522,254
Less: Provision for doubtful debts	(70,912)	(59,058)	(38,335)	(35,257)
Prepayments, deposits and other receivables	204,324	180,879	113,022	86,241
	<b>991,809</b>	965,342	<b>628,185</b>	573,238

Notes:

- (a) As at 31 December 2003, no current assets were pledged as security for loan. As at 31 December 2002, amounts due from related parties of HK\$13,096,000 were pledged as security for certain short term loans granted of 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.

## NOTES TO THE ACCOUNTS (Continued)

### 20 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

At 31 December 2003, 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	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current	<b>400,378</b>	406,356	<b>247,004</b>	245,108
1-2 months	<b>202,228</b>	182,887	<b>154,217</b>	137,153
2-3 months	<b>124,803</b>	119,576	<b>92,803</b>	88,789
3-4 months	<b>59,698</b>	59,209	<b>40,684</b>	33,789
4-5 months	<b>16,829</b>	18,893	<b>6,786</b>	6,745
Over 5 months	<b>43,896</b>	46,135	<b>12,004</b>	10,670
	<b>847,832</b>	833,056	<b>553,498</b>	522,254
Trade receivables due from:				
Third parties	<b>833,954</b>	773,939	<b>553,498</b>	522,254
Jointly controlled entities, associated companies, an investee company and related parties	<b>13,878</b>	59,117	-	-
	<b>847,832</b>	833,056	<b>553,498</b>	522,254

### 21 TRADE AND OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Due to :				
Jointly controlled entities	-	2,993	-	-
Associated companies	<b>7,794</b>	16,698	-	-
Related parties	<b>509</b>	31,718	-	-
Trade payables	<b>93,666</b>	130,612	<b>54,903</b>	96,644
Other accounts payables and accruals	<b>409,558</b>	393,787	<b>198,874</b>	156,064
	<b>511,527</b>	575,808	<b>253,777</b>	252,708

## NOTES TO THE ACCOUNTS (Continued)

### 21 TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

At 31 December 2003, 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	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current	65,009	98,645	45,156	61,194
1-2 months	29,690	45,117	7,707	26,100
2-3 months	3,158	14,207	1,894	8,526
3-4 months	1,475	3,711	93	732
4-5 months	848	3,173	5	33
Over 5 months	1,789	17,122	48	59
	<b>101,969</b>	181,975	<b>54,903</b>	96,644
Trade payables due to:				
Third parties	93,666	130,612	54,903	96,644
Jointly controlled entities, associated companies and related parties	8,303	51,363	-	-
	<b>101,969</b>	181,975	<b>54,903</b>	96,644

### 22 BANK DEPOSITS AND OVERDRAFTS

(a) At 31 December 2003, the group has pledged bank deposits of HK\$228,000 (2002: HK\$1,618,000) to secure certain banking facilities and credit facilities granted to the group.

(b) At 31 December 2003, bank overdrafts of HK\$6,532,000 (2002: HK\$45,970,000) are unsecured.

### 23 PROVISIONS

	Onerous Contract			
	Group		Company	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2003	-	-	-	-
Provision for onerous contracts	95,277	-	31,857	-
Exchange difference	(152)	-	-	-
At 31 December 2003	<b>95,125</b>	-	<b>31,857</b>	-
	Group		Company	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Analysis of total provisions				
Non-current	62,052	-	10,682	-
Current	33,073	-	21,175	-
	<b>95,125</b>	-	<b>31,857</b>	-