

NOTES TO THE ACCOUNTS (Continued)

14 SUBSIDIARIES

	Company	
	2004	2003
	HK\$'000	HK\$'000
Unlisted shares, at cost	600	693
Amounts due from subsidiaries (note)	389,360	619,798
Amounts due to subsidiaries (note)	(13,920)	(284,469)
	376,040	336,022

Note: The amounts due from/(to) the subsidiaries are unsecured and interest free, and have no fixed terms of repayment.

Details of the subsidiaries are listed in note 39.

15 JOINTLY CONTROLLED ENTITIES

	Group	
	2004	2003
	HK\$'000	HK\$'000
Share of net assets	(2,271)	3,737
Loan to a jointly controlled entity (note (a))	20,993	18,977
	18,722	22,714
Unlisted shares, at cost	74,007	74,007

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%

NOTES TO THE ACCOUNTS (Continued)

16 ASSOCIATED COMPANIES

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Share of net assets	333,599	500,001	-	-
Loan to an associated company (note (a))	115,564	115,564	115,564	115,564
Amount due from an associated company (note (b))	-	5,319	-	5,319
Amount due to an associated company (note (c))	(187,450)	(382,650)	-	-
	261,713	238,234	115,564	120,883
Unlisted shares, at cost	521,975	521,975	-	-

Notes:

- (a) The loan to an associated company is unsecured and carries interest at 8% per annum compounded annually. Details of the terms of repayment are disclosed in note 36(e) to the accounts.
- (b) Amount due from an associated company is unsecured, interest free and has no fixed terms of repayment.
- (c) The amount represents the unpaid capital contributions to an associated company, Galaxy Satellite TV Holdings Limited (“GSTV”), which is unsecured, interest free and payable when required by GSTV.

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

* See also note 21 regarding the remaining ownership interest in these associated companies.

NOTES TO THE ACCOUNTS (Continued)

17 INVESTMENT SECURITIES

	Group	
	2004	2003
	HK\$'000	HK\$'000
Equity securities, at cost		
Unlisted	21,478	21,354
Less: Provision for impairment loss	(17,773)	(17,696)
	3,705	3,658

18 LOANS TO INVESTEE COMPANIES

	Group	
	2004	2003
	HK\$'000	HK\$'000
Loans to investee companies	52,210	51,084
Less: Provision	(37,947)	(37,884)
	14,263	13,200

The loans to the investee companies are unsecured and interest free, and have no fixed terms of repayment, except for an amount of HK\$8,271,000 (2003: HK\$7,654,000) 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 2004 and 31 December 2003, all stocks are stated at cost.

20 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Due from:				
Jointly controlled entities	-	1,950	-	-
Associated companies	43,735	-	41,842	-
An investee company	2,167	2,105	-	-
Related parties	22,789	20,388	-	-
Trade receivables (note)	867,318	833,954	578,267	553,498
Less: Provision for doubtful debts	(66,885)	(70,912)	(39,694)	(38,335)
Prepayments, deposits and other receivables	155,832	204,324	80,136	113,022
	1,024,956	991,809	660,551	628,185

Note:

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 of the group. 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 2004, the aging analysis of the trade receivables including trading balances due from jointly controlled entities, associated companies, an investee company and related parties is as follows:

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current	403,890	400,378	235,670	247,004
1-2 months	209,821	202,228	162,361	154,217
2-3 months	131,528	124,803	105,021	92,803
3-4 months	65,386	59,698	43,756	40,684
4-5 months	29,430	16,829	23,830	6,786
Over 5 months	66,897	43,896	31,128	12,004
	906,952	847,832	601,766	553,498
Trade receivables due from:				
Third parties	867,318	833,954	578,267	553,498
Jointly controlled entities, associated companies, an investee company and related parties	39,634	13,878	23,499	-
Non-trading amounts due from jointly controlled entities, associated companies and related parties	29,057	10,565	18,343	-
	936,009	858,397	620,109	553,498

21 OTHER INVESTMENTS

On 16 September 2004, the group entered into a deed of agreement with Intelsat Hong Kong LLC (“Intelsat”), the then 51% shareholder of Galaxy Satellite TV Holdings Limited (“GSTV”), under which Intelsat agreed to transfer its 51% interest in GSTV to the group free of any payment.

As the group is restricted from holding 50% or more of the voting interest in GSTV, the group was granted by the Government of Hong Kong Special Administrative Region a period of twelve months up to 27 December 2005 to secure an independent party to acquire the 51% interest transferred from Intelsat. The directors consider that the interest is held temporarily with a view to its subsequent disposal in the near future. As such, the group has accounted for the unpaid capital contributions in relation to Intelsat’s investment in GSTV, amounting to HK\$189,432,000, as other investments. An equivalent amount was recognised as an other payable at 31 December 2004 (note 22).

NOTES TO THE ACCOUNTS (Continued)

22 TRADE AND OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Due to :				
Associated companies	1,551	7,794	-	-
Related parties	1,037	509	-	-
Trade payables	85,232	93,666	42,461	54,903
Other accounts payables and accruals	450,383	409,558	205,219	198,874
Payable for other investments (note 21)	189,432	-	-	-
	727,635	511,527	247,680	253,777

At 31 December 2004, the aging analysis of the trade payables including trading balances due to associated companies and related parties is as follows:

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current	59,805	65,009	33,034	45,156
1-2 months	21,877	29,690	8,030	7,707
2-3 months	1,662	3,158	1,026	1,894
3-4 months	1,108	1,475	221	93
4-5 months	1,095	848	143	5
Over 5 months	2,273	1,789	7	48
	87,820	101,969	42,461	54,903
Trade payables due to:				
Third parties	85,232	93,666	42,461	54,903
Associated companies and related parties	2,588	8,303	-	-
	87,820	101,969	42,461	54,903

23 BANK DEPOSITS

At 31 December 2004, the group had pledged bank deposits of HK\$234,000 (2003: HK\$228,000) to secure certain credit facilities granted to a subsidiary of the group.