

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 12 Trade and other payables and accruals

	30 June 2005	31 December 2004
	HK\$'000	HK\$'000
Trade payables to:		
Associates	3,177	1,551
Related parties	235	1,037
Third parties	83,608	85,232
Other accounts payables and accruals	438,293	450,383
Payable for financial assets at fair value through profit or loss	189,432	189,432
	<b>714,745</b>	<b>727,635</b>

At 30 June 2005 and at 31 December 2004, the aging analysis of the trade payables including trading balances due to associates and related parties is as follows:

	30 June 2005	31 December 2004
	HK\$'000	HK\$'000
Current	47,105	59,805
1-2 months	30,846	21,877
2-3 months	4,083	1,662
3-4 months	1,469	1,108
4-5 months	959	1,095
Over 5 months	2,558	2,273
	<b>87,020</b>	<b>87,820</b>

### 13 Borrowings

	30 June 2005	31 December 2004
	HK\$'000	HK\$'000
Non-current		
Long-term bank loans	-	48,683
Current		
Current portion of long-term bank loans	-	5,366
Current portion of long-term other loans	-	4,253
Obligations under finance leases	-	83
Short-term bank loans	-	2,338
Bank overdrafts	1,460	-
	<b>1,460</b>	<b>12,040</b>
Total borrowings	<b>1,460</b>	<b>60,723</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 13 Borrowings (Continued)

As at 31 December 2004, bank loans and other loans of HK\$58,302,000 were secured by land and buildings with net book value of HK\$109,894,000.

The maturity of borrowings is as follows:

	30 June 2005	31 December 2004		
	Bank overdrafts	Bank loans	Others loans	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
In the first year	1,460	7,704	4,253	11,957
In the second year	-	5,623	-	5,623
In the third to fifth year	-	18,534	-	18,534
After the fifth year	-	24,526	-	24,526
	<b>1,460</b>	<b>56,387</b>	<b>4,253</b>	<b>60,640</b>

At 30 June 2005 and 31 December 2004, the group's finance lease liabilities were repayable as follows:

	30 June 2005	31 December 2004
	HK\$'000	HK\$'000
In the first year - present value	-	83

The carrying amounts of the borrowings are denominated in the following currencies:

	30 June 2005	31 December 2004
	HK\$'000	HK\$'000
New Taiwan dollars	-	54,049
Sterling	1,460	2,338
US dollars	-	4,253
Australian dollars	-	83
	<b>1,460</b>	<b>60,723</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 14 Provisions

	<b>Onerous contracts</b>
	HK\$'000
At 1 January 2005	15,906
Less: utilised during the period	(12,773)
<b>At 30 June 2005</b>	<b>3,133</b>

Analysis of total provisions

	<b>30 June 2005</b>	31 December 2004
	HK\$'000	HK\$'000
Non-current	-	1,045
Current	3,133	14,861
	<b>3,133</b>	<b>15,906</b>

### 15 Other revenues

	<b>Six months ended 30 June 2005</b>	2004
	HK\$'000	HK\$'000
Interest income	9,155	753
Others	17,451	17,780
	<b>26,606</b>	<b>18,533</b>

### 16 Expenses by nature

Expenses included in cost of sales, selling, distribution and transmission costs and general and administrative expenses are analysed as follows:

	<b>Six months ended 30 June 2005</b>	2004
	HK\$'000	HK\$'000
Depreciation - owned fixed assets	133,747	137,388
Depreciation - leased fixed assets	1	26
Amortisation of leasehold land	2,284	2,284
Cost of programmes, film rights and stocks	519,201	627,032
Impairment of goodwill	5,894	-
Amortisation of goodwill	-	3,698

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 17 Finance costs

	Six months ended 30 June	
	2005	2004
	HK\$'000	HK\$'000
Interest on overdrafts, bank loans and other loans	970	3,975
Interest element of finance leases	-	28
Total finance costs incurred	970	4,003

### 18 Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 June	
	2005	2004
	HK\$'000	HK\$'000
Current income tax:		
- Hong Kong profits tax	70,795	3,764
- Overseas taxation	15,847	20,331
- (Over)/under provisions in prior periods	(222)	110
Deferred income tax	28,846	18,555
	115,266	42,760

### 19 Earnings per share

The earnings per share is calculated based on the Group's profit attributable to equity holders of the Company of HK\$545,357,000 (2004: HK\$217,465,000) and 438,000,000 shares in issue throughout the six months ended 30 June 2005 and 2004.

### 20 Dividends

	Six months ended 30 June	
	2005	2004
	HK\$'000	HK\$'000
Interim dividend, proposed, of HK\$0.25 (2004: HK\$0.20) per ordinary share (note (a) and (c))	109,500	87,600

Notes:

- (a) At a meeting held on 1 September 2004, the directors declared an interim dividend of HK\$0.20 per ordinary share for the year ended 31 December 2004 which was paid on 30 September 2004.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 20 Dividends (Continued)

- (b) At a meeting held on 23 March 2005, the directors proposed a final dividend of HK\$0.80 per ordinary share for the year ended 31 December 2004, which was paid on 3 June 2005 and was reflected as an appropriation of retained earnings in these condensed consolidated financial information for the six months ended 30 June 2005.
- (c) At a meeting held on 31 August 2005, the directors declared an interim dividend of HK\$0.25 per ordinary share for the year ending 31 December 2005. This proposed dividend is not reflected as a dividend payable in these condensed consolidated financial information, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2005.

### 21 Contingent liabilities

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
(a) Guarantees for banking facilities granted to an investee company	8,546	8,756
(b) In March 2005, the Group received additional profits tax assessment notices from the Inland Revenue Department of Hong Kong for the year of assessment 1998/99 for profits generated by the Group's programme licensing and distribution business carried out overseas. The total amount of the additional assessments of profits tax was HK\$98,277,000. The Group was granted a holdover of the payment on condition that tax reserve certificates are purchased. Tax reserve certificates of HK\$23,989,000 were purchased in May 2005 (note 8). The Group has objected to these additional assessments. The Group believes that the objection is well founded, and is determined to defend the Group's position vigorously. On this basis, the Group is of the view that no additional tax provision is necessary.		

### 22 Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
Property, plant and equipment		
Authorised but not contracted for	136,920	184,390
Contracted but not provided for	23,062	14,845
	159,982	199,235

The Group's share of commitments for property, plant and equipment of the jointly controlled entities was nil (31 December 2004: Nil).