

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

### 23 Operating lease commitments

At 30 June 2005, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	30 June 2005		31 December 2004	
	Land and buildings	Equipment and transponders	Land and buildings	Equipment and transponders
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Not later than one year	25,806	45,418	37,077	62,427
Later than one year and not later than five years	47,524	53,910	51,892	60,557
Later than five years	6,734	-	11,769	5,537
	<b>80,064</b>	<b>99,328</b>	100,738	128,521

### 24 Significant related party transactions

The following transactions were carried out with related parties:

		Six months ended 30 June	
	Note	2005	2004
		HK\$'000	HK\$'000
(i) Sales of goods and services			
Sales of services to other related parties			
Programmes/channel licensing fee	(a)	63,516	69,860
Advertising agency fee	(a)	15,662	14,075
Management fee	(a)	15,130	-
Advertising income	(b)	-	10,224
Rental of satellite equipment and technical service fee	(b)	783	3,854
Transponder leasing fee	(b)	476	2,581
Programmes licensing fee	(c)	3,428	3,117
Sales of services to an associate			
Programmes/channel licensing fee	(d)	100,000	73,563
Channel package service fee	(d)	1,096	-
Downlink service fee	(d)	948	-
Advertising income	(d)	14,247	-
Rental income and related charges	(d)	3,738	3,135
		<b>219,024</b>	180,409

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

### 24 Significant related party transactions (Continued)

	Note	Six months ended 30 June	
		2005	2004
		HK\$'000	HK\$'000
(ii) Purchases of goods and services			
Purchases of services from other related parties			
Rental fee	(e)	(8,866)	(8,866)
Optical fibre rental fee	(b)	(200)	(983)
Satellite relay service fee	(b)	(392)	(1,927)
Programmes/channel licensing fee	(f)	(2,431)	(998)
Supply network and telephone system	(g)	(935)	(2,648)
Purchases of services from an associate			
Playback and uplink service fee	(d)	(18,477)	(20,253)
		<b>(31,301)</b>	<b>(35,675)</b>

#### Notes:

- The fees were received from MEASAT Broadcast Network Systems Sdn. Bhd., an associate of the minority shareholder of non-wholly owned subsidiaries of the Company.
- The fees were received from/(paid to) Era Communications Co. Ltd., a minority shareholder of a non-wholly owned subsidiary of the Company. The non-wholly owned subsidiary has become a wholly owned subsidiary on 22 March 2005.
- The fees were received from ASTRO Entertainment Networks Ltd., an associate of the minority shareholder of non-wholly owned subsidiaries of the Company.
- The fees were received from/(paid to) Galaxy Satellite Broadcasting Limited, an associate of the Company.
- The rental fees were paid to Shaw Brothers (Hong Kong) Limited, a substantial shareholder of the Company in respect of the lease of certain office and car parking spaces.
- The fees were paid to Celestial Television Networks Ltd., an associate of the minority shareholder of non-wholly owned subsidiaries of the Company.
- The fees were paid to Chevalier (Network Solutions) Limited ("CNSL") in relation to the supply, installation and maintenance of the private automatic branch exchange system and structured cabling network. The total sum was settled by way of installments. The controlling shareholder of the holding company of CNSL, is also a director of the Company.

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

### 24 Significant related party transactions (Continued)

(iii) Period-end balances

	30 June 2005	30 June 2004
	HK\$'000	HK\$'000
Receivables from other related parties (note)	37,535	53,018
Receivables from an investee company	-	2,186
Receivables from associates	136,934	1,900
	<b>174,469</b>	<b>57,104</b>
Payables to other related parties	235	2,402
Payables to associates	3,177	2,863
	<b>3,412</b>	<b>5,265</b>

Note: As at 30 June 2005, a provision for impairment of receivable from other related parties of HK\$7,880,000 (30 June 2004: HK\$7,880,000) has been provided.

(iv) Loans to related parties

	30 June 2005	31 December 2004
	HK\$'000	HK\$'000
Loans to investee companies		
Beginning of the period	52,210	51,085
Loan repayments received	(7,408)	-
Interest expensed	208	417
Interest received	(208)	(417)
Exchange difference	(560)	1,125
End of the period	44,242	52,210
Less: provision for impairment of loans	(37,918)	(37,947)
	<b>6,324</b>	<b>14,263</b>
Loan to an associate		
Beginning of the period	133,397	115,564
Interest expensed	5,280	17,833
End of the period	<b>138,677</b>	<b>133,397</b>

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

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### **24 Significant related party transactions** (Continued)

The loans to the investee companies are unsecured and interest free, and have no fixed terms of repayment, except for an amount of C\$999,000 (31 December 2004: C\$1,275,000) which carries interest at 2% per annum above the Canadian Prime Rate.

The loan to an associate is unsecured and carries interest at 8% per annum compounded annually. The principal amount and the accrued interest shall be payable to the Company in two annual installments on 20 February 2007 and 20 February 2008 respectively, unless the associate is publicly floated before either date, whereupon the outstanding principal amount and accrued interest shall be prepaid.