

## CHAIRMAN'S STATEMENT

In my first statement to shareholders as Chairman of the Company, I am pleased to be reporting excellent results for 2000.

During the year, AsiaSat achieved a full recovery following the Asian regional financial crisis, both in terms of turnover and profit attributable to shareholders.

The Company experienced renewed demand for C-band transponder capacity on its AsiaSat 3S satellite, particularly for video and new Internet applications. In the first half of the year, C-band capacity on AsiaSat 3S was practically fully leased. The reduced capacity, however, and the shake out experienced in the Internet sectors, resulted in slower demand during the second half. Throughout the year demand for Ku-band transponder capacity on AsiaSat 3S was lower than anticipated, though there were encouraging signs of improvement at the beginning of 2001.

### **Financial results**

The Board of Directors is pleased to announce that turnover for the year ended 31st December, 2000, increased 24% to HK\$997 million (1999: HK\$807 million), while operating costs decreased by 29% to HK\$133 million (1999: HK\$189 million). The decrease was largely due to a smaller amount of provision for doubtful debts of approximately HK\$4 million (1999: HK\$38 million) coupled with the recovery of approximately HK\$10 million of bad debts provided for in prior years (1999: Nil).

Profit attributable to shareholders increased 63% to HK\$576 million (1999: HK\$354 million) and earnings per share increased 63% to HK\$1.48 (1999: HK\$0.91). These strong results reflect the gradual recovery of the economies in the region since the Asian financial crisis, and the cyclical upturn of new demand for C-band capacity.

### **Dividend**

In the light of the Company's current development plans the directors are recommending that the dividend be maintained at the same level as last year. Thus, at the forthcoming Annual General Meeting, your directors will propose a final dividend of HK\$0.14 per share (1999: HK\$0.14 per share), amounting to approximately HK\$55 million. This, together with the interim dividend of HK\$0.06 per share (1999: HK\$0.06 per share) paid on 21st November, 2000, gives a total dividend of HK\$0.20 per share (1999: HK\$0.20 per share) for the year.

### **Operations review**

During the year, the Company's satellites and systems operated well and experienced no disruption.

AsiaSat 1 will continue to operate in an inclined orbit at 122°E until the successful launch of AsiaSat 4, planned for 2002. The latest estimate of fuel on board, indicates that the satellite is capable of operating for another two years.

Throughout the year, AsiaSat 2 continued to operate satisfactorily at 100.5°E, however, the utilisation rate at 31st December, 2000 was 67% (1999: 74%). The decline was, in part, due to the migration of some customers to AsiaSat 3S.

Since its commissioning in May 1999, the utilisation rate of the C-band transponders of AsiaSat 3S continued to rise almost to full capacity, but the demand for Ku-band transponders was lower than anticipated. At 31st December, 2000, the satellite's overall utilisation rate was 62% (1999: 49%).

### **Outlook**

Since the last quarter of 2000 there have been clear signs of a slow down in economic activity in the United States. The U.S. Federal Reserve's interest rate cuts in January should ease the situation. However, the impact may not be felt in the near term. The Asia Pacific will not be immune to the downturn and the Company therefore takes a more cautious view for 2001. In the region, AsiaSat continues to invest for the future to take advantage of developments in the areas of telecommunications, broadcasting and multimedia.

### **Directors and staff**

I wish to thank the directors and the employees of the Company for their contribution, dedication and hard work throughout the very successful year under review. I am delighted to have been appointed Chairman, and wish to thank Mr. Qin Xiao, our former Chairman, for his contribution, guidance and leadership under which the Company has flourished.

### **Romain Bausch**

*Chairman*

Hong Kong, 6th March, 2001



THAT MORNING AT THE OFFICE...

HAVE WE RECEIVED THE INFORMATION FROM THE DRILLING RIG?



I'M DOWNLOADING THE SEISMIC INFORMATION NOW!

**AsiaSat's satellites provide fast, secure data connections for private networks**

OVER LUNCH...

NO MOVEMENT IN OUR STOCK PRICE, BUT WHEN THE NEWS GETS OUT IT'S GONNA ROCKET!

THE ANNOUNCEMENT'S ABOUT READY TO BE RELEASED... THEN I'LL SET UP THE CEO'S TV INTERVIEW...

...A FEW LAST MINUTE DETAILS AND I'M OFF ON VACATION!

**AsiaSat's satellites supply the financial**

**world with vital real-time information**