

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2000

4. Profit from operations

	2000	1999
	HK\$'000	HK\$'000
Profit from operations has been determined after charging:		
Staff costs, including directors' remuneration	59,605	49,769
Contributions to retirement benefits scheme	3,116	2,912
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Total staff costs	62,721	52,681
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Auditors' remuneration	424	417
Depreciation	168,391	194,771
Provision for bad and doubtful debts	3,612	38,015
Rental of office premises under operating leases	4,520	3,975
and after crediting:		
Amortisation of gain on sale and leaseback	—	11,667
Gain on disposal of property, plant and equipment	130	57
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5. Finance costs

	2000	1999
	HK\$'000	HK\$'000
Interest on bank loans wholly repayable within 5 years	37,054	77,040
Cost of raising bank loans	32,581	1,038
Amortisation of deferred loan origination costs	7,918	3,959
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	77,553	82,037
Less: Amount capitalised in assets under construction	32,191	2,169
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	45,362	79,868
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6. Directors' remuneration

	2000	1999
	HK\$'000	HK\$'000
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Fees:		
Executive	—	—
Non-executive	—	—
Independent non-executive	400	400
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	400	400
	<hr/>	<hr/>
Other emoluments:		
Executive		
Salaries and other benefits	7,900	7,765
Performance related incentive payments	4,280	1,070
Contributions to retirement benefits scheme	565	535
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	12,745	9,370
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Total emoluments	13,145	9,770
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Emoluments of the directors were within the following bands:

	No. of directors	
	2000	1999
HK\$Nil to HK\$1,000,000	12	17
HK\$3,500,001 to HK\$4,000,000	—	1
HK\$5,000,001 to HK\$5,500,000	1	1
HK\$7,000,001 to HK\$7,500,000	1	—
	<hr/>	<hr/>
	14	19
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7. Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (1999: two) were directors of the Company whose emoluments are included in the disclosures in note 6 above. The emoluments of the remaining three (1999: three) individuals were as follows:

	2000	1999
	HK\$'000	HK\$'000
Salaries and other benefits	7,851	7,980
Performance related incentive payments	3,375	525
Contributions to retirement benefits scheme	630	612
	11,856	9,117

Their emoluments are within the following bands:

	No. of employees	
	2000	1999
HK\$2,000,001 to HK\$2,500,000	—	1
HK\$3,000,001 to HK\$3,500,000	1	2
HK\$4,000,001 to HK\$4,500,000	2	—
	3	3

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For the year ended 31st December, 2000

8. Taxation

	2000	1999
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong Profits Tax		
Current year	29,847	—
Overprovided in prior year	—	(113)
Deferred taxation charge (note 22)	30,555	36,730
	60,402	36,617
Overseas tax	19,467	14,888
	79,869	51,505

A significant portion of the Group's profit is treated as earned outside of Hong Kong and is not subject to Hong Kong Profits Tax. Hong Kong Profits Tax is calculated at 16% (1999: 16%) of the estimated assessable profit for the year.

In 1999, no tax was payable on the profit for the year arising in Hong Kong since the assessable profit was wholly absorbed by estimated tax losses brought forward.

Overseas tax is calculated at 10% of the gross revenue earned in certain of the overseas jurisdictions.

Details of deferred taxation are set out in note 22.

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9. Profit attributable to shareholders

Of the Group's profit for the year of approximately HK\$576,295,000 (1999: HK\$353,575,000), a profit of approximately HK\$78,401,000 (1999: HK\$78,011,000) has been dealt with in the financial statements of the Company.

10. Dividend

	The Company	
	2000 HK\$'000	1999 HK\$'000
Interim dividend - HK\$0.06 per share (1999: HK\$0.06)	23,415	23,400
Proposed final dividend - HK\$0.14 per share (1999: HK\$0.14)	54,637	54,611
Underprovision for 1999 final dividend (note)	26	—
	78,078	78,011

Note:

The amount represented the underprovision for the additional 1999 final dividend arising from the issue of 185,000 new shares in the Company which ranked for the 1999 final dividend.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2000

11. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2000	1999
	HK\$'000	HK\$'000
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Earnings for the purpose of calculating basic and diluted earnings per share:		
Profit attributable to shareholders	576,295	353,575
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	390,241	390,003
Effect of dilutive potential ordinary shares (in thousands):		
Options	914	206
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	391,155	390,209

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For the year ended 31st December, 2000

12. Property, plant and equipment

	Satellites and tracking facilities		Furniture, fixtures and fittings	Office equipment	Motor vehicles	Plant and machinery	Total
	In operation	Under construction					
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group							
Cost							
At 1st January, 2000	3,634,004	180,670	8,869	4,508	2,436	1,468	3,831,955
Additions	239	476,791	191	776	886	—	478,883
Disposals	—	—	(3)	(132)	(674)	—	(809)
At 31st December, 2000	3,634,243	657,461	9,057	5,152	2,648	1,468	4,310,029
Depreciation							
At 1st January, 2000	1,608,678	—	6,721	3,151	1,386	1,309	1,621,245
Provided for the year	166,250	—	693	718	653	77	168,391
Eliminated on disposals	—	—	(3)	(123)	(674)	—	(800)
At 31st December, 2000	1,774,928	—	7,411	3,746	1,365	1,386	1,788,836
Net book values							
At 31st December, 2000	1,859,315	657,461	1,646	1,406	1,283	82	2,521,193
At 31st December, 1999	2,025,326	180,670	2,148	1,357	1,050	159	2,210,710

The satellite and tracking facilities are held for use under transponder utilisation agreements.

The cost of property, plant and equipment includes borrowing cost capitalised during construction of satellites and tracking facilities of approximately HK\$32,191,000 (1999: Nil).