

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2001

### 5. Turnover

The business and geographical segments of the operations of the Group are as follows:

	Year ended 31st December			
	2001		2000	
	<b>Turnover</b>	<b>Contribution to profit from operations</b>	Turnover	Contribution to profit from operations
	<b>HK\$'000</b>	<b>HK\$'000</b>	HK\$'000	HK\$'000
<b>Geographical Segments:</b>				
Hong Kong	<b>351,037</b>	<b>241,950</b>	342,676	241,381
Greater China, including Taiwan	<b>240,279</b>	<b>165,611</b>	244,499	172,225
United States of America	<b>75,759</b>	<b>52,216</b>	83,434	58,771
British Virgin Islands	<b>56,293</b>	<b>38,800</b>	65,815	46,360
Singapore	<b>31,275</b>	<b>21,556</b>	33,591	23,662
Others	<b>214,808</b>	<b>148,054</b>	232,879	164,041
	<b>969,451</b>	<b>668,187</b>	1,002,894	706,440
	<b>969,451</b>	<b>668,187</b>	1,002,894	706,440
<b>Business Segments:</b>				
Income from provision of satellite transponder capacity	<b>956,695</b>	<b>659,395</b>	956,049	673,442
Sales of satellite transponder capacity	<b>12,756</b>	<b>8,792</b>	46,845	32,998
	<b>969,451</b>	<b>668,187</b>	1,002,894	706,440
	<b>969,451</b>	<b>668,187</b>	1,002,894	706,440

The Group's primary reporting format for segment reporting purposes under SSAP 26 *Segment Reporting* is the geographical basis. However, the Group's operating assets consist primarily of its satellites which are used, or are intended for use, for transmission to multiple geographical areas and therefore cannot be allocated between geographical segments. Accordingly, no geographical analysis of assets and liabilities has been presented.

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### 6. Profit from operations

	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
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Profit from operations has been arrived at after charging:		
Salary and other benefits, including directors' remuneration	<b>55,564</b>	59,605
Contributions to retirement benefits scheme	<b>3,859</b>	3,116
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Total staff costs	<b>59,423</b>	62,721
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Auditors' remuneration	<b>585</b>	424
Amortisation of goodwill arising from acquisition of associates (included within administrative expenses)	<b>6,132</b>	—
Depreciation	<b>166,650</b>	168,391
Impairment loss recognised in respect of investment in associates (included within administrative expenses)	<b>6,132</b>	—
Provision for bad and doubtful debts	<b>—</b>	3,612
Rental of office premises under operating leases	<b>4,525</b>	4,520
and after crediting:		
Gain on disposal of property, plant and equipment other than transponders	<b>98</b>	130
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### 7. Finance costs

	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Interest on bank loans wholly repayable within 5 years	—	37,054
Cost of raising bank loans	<b>8,422</b>	32,581
Amortisation of deferred loan origination costs	—	7,918
	<b>8,422</b>	77,553
Less: Amount capitalised in assets under construction	<b>(8,422)</b>	(32,191)
	—	45,362

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### 8. Directors' remuneration

	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
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Fees:		
Executive	—	—
Non-executive	—	—
Independent non-executive	<b>400</b>	400
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	<b>400</b>	400
	<hr/>	<hr/>
Other emoluments:		
Executive		
Salaries and other benefits	<b>8,193</b>	7,900
Performance related incentive payments	<b>1,135</b>	4,280
Contributions to retirement benefits scheme	<b>664</b>	565
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	<b>9,992</b>	12,745
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Total emoluments	<b>10,392</b>	13,145
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Emoluments of the directors were within the following bands:

	No. of directors	
	<b>2001</b>	2000
HK\$Nil to HK\$1,000,000	<b>12</b>	12
HK\$4,000,001 to HK\$4,500,000	<b>1</b>	—
HK\$5,000,001 to HK\$5,500,000	—	1
HK\$5,500,001 to HK\$6,000,000	<b>1</b>	—
HK\$7,000,001 to HK\$7,500,000	—	1
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	<b>14</b>	14
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### 9. Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (2000: two) were directors of the Company whose emoluments are included in the disclosures in note 8 above. The emoluments of the remaining three (2000: three) individuals were as follows:

	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Salaries and other benefits	<b>7,996</b>	7,851
Performance related incentive payments	<b>896</b>	3,375
Contributions to retirement benefits scheme	<b>671</b>	630
	<b>9,563</b>	11,856

Their emoluments are within the following bands:

	No. of employees	
	<b>2001</b>	2000
HK\$2,500,001 to HK\$3,000,000	<b>1</b>	—
HK\$3,000,001 to HK\$3,500,000	<b>1</b>	1
HK\$3,500,001 to HK\$4,000,000	<b>1</b>	—
HK\$4,000,001 to HK\$4,500,000	<b>—</b>	2
	<b>3</b>	3

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2001

### 10. Taxation

	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
The charge comprises:		
Hong Kong Profits Tax		
Current year	<b>32,189</b>	29,847
Overprovided in prior year	<b>(28,503)</b>	—
Deferred taxation charge (note 23)	<b>46,734</b>	30,555
	<b>50,420</b>	60,402
Overseas tax	<b>20,144</b>	19,467
	<b>70,564</b>	79,869

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% (2000: 16%) of the estimated assessable profit for the year.

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 23.

The Group currently has a tax case with the Indian tax authorities. Details of this are set out in note 29.