

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2001

11. Profit attributable to shareholders

Of the Group's profit for the year of approximately HK\$562,983,000 (2000: HK\$576,295,000), a profit of approximately HK\$79,489,000 (2000: HK\$78,375,000) has been dealt with in the financial statements of the Company.

12. Dividends

	The Company	
	2001	2000
	HK\$'000	HK\$'000
Interim dividend - HK\$0.06 per share (2000: HK\$0.06)	23,416	23,415
Proposed final dividend - HK\$0.14 per share (2000: HK\$0.14)	54,637	54,637
	78,053	78,052

The final dividend of HK\$0.14 (2000: HK\$0.14) per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.

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For the year ended 31st December, 2001

13. Earnings per share

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

	2001	2000
	HK\$'000	HK\$'000
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Earnings for the purpose of calculating basic and diluted earnings per share:		
Profit attributable to shareholders	562,983	576,295
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	390,266	390,241
Effect of dilutive potential ordinary shares (in thousands):		
Options	—	914
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	390,266	391,155

The computation of diluted earnings per share presented for year 2001 does not assume the exercise of the outstanding options because the exercise price of the Company's options was higher than the average market price for the shares.

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14. Property, plant and equipment

	Satellites and tracking facilities								
	In operation	Under construction	Leasehold land	Buildings under development	Furniture, fixtures and fittings	Office equipment	Motor vehicles	Plant and machinery	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group									
Cost									
At 1st January, 2001	3,634,243	657,461	—	—	9,057	5,152	2,648	1,468	4,310,029
Additions	873	564,730	26,968	634	9	422	599	222	594,457
Disposals	(6,674)	—	—	—	—	(154)	(485)	—	(7,313)
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At 31st December, 2001	3,628,442	1,222,191	26,968	634	9,066	5,420	2,762	1,690	4,897,173
Depreciation									
At 1st January, 2001	1,774,928	—	—	—	7,411	3,746	1,365	1,386	1,788,836
Provided for the year	164,043	—	437	—	694	704	690	82	166,650
Eliminated on disposals	—	—	—	—	—	(153)	(484)	—	(637)
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At 31st December, 2001	1,938,971	—	437	—	8,105	4,297	1,571	1,468	1,954,849
Net book values									
At 31st December, 2001	1,689,471	1,222,191	26,531	634	961	1,123	1,191	222	2,942,324
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At 31st December, 2000	1,859,315	657,461	—	—	1,646	1,406	1,283	82	2,521,193
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The net book value of the satellite and tracking facilities amounting to HK\$1,674,756,000 (2000: HK\$1,859,315,000) is held for use under transponder utilisation agreements.

The leasehold land is situated in Hong Kong and held under medium term lease.

Cost of property, plant and equipment includes borrowing cost capitalised during construction of satellites and tracking facilities of approximately HK\$40,613,000 (2000: HK\$32,191,000).

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15. Investments in subsidiaries

	The Company	
	2001	2000
	HK\$'000	HK\$'000
Unlisted shares in subsidiary companies, at cost	429,053	429,053

The carrying value of the unlisted shares is based on the book value of the underlying net assets of the subsidiaries attributable to the Group as at the date on which the Company became the ultimate holding company of the Group under the Group reorganisation in 1996.

Details of subsidiary companies and a controlled partnership at 31st December, 2001 are as follows:

Name of subsidiary	Place of incorporation/ registration/ principal place of operation	Class of share held	Percentage of nominal value of issued capital		Principal activity
			held by the Company		
			Directly	Indirectly	
AsiaSat BVI Limited	British Virgin Islands	Ordinary shares	100%	—	Investment holding
Asia Satellite Telecommunications Company Limited	Hong Kong	Ordinary shares	—	100%	Provision of satellite transponder capacity
Hanbury International Limited	British Virgin Islands	Ordinary shares	—	100%	Deposit holding
SAT Limited	Republic of Mauritius	Ordinary shares	100%	—	Inactive
Sornico Limited	Hong Kong	Ordinary shares	—	100%	Investment holding
The First Asian Satellite Leasing Limited Partnership (the "Partnership")	Hong Kong	N/A	—	1%	Satellite leasing

The Company continues to control the Partnership as it is a general partner and accordingly continues to consolidate it.

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For the year ended 31st December, 2001

16. Investments in associates

	2001	2000
	HK\$'000	HK\$'000
Share of net assets	—	41,349
Premium on acquisition	6,132	12,264
Impairment loss	(6,132)	—
	—	53,613

Details of the Company's associates as at 31st December, 2001 are as follows:

Name of entity	Place of incorporation/ registration/ principal place of operation	Class of share held	Percentage of nominal value of issued capital held indirectly by the Company	Principal activity
SPEEDCAST HOLDINGS LTD. (formerly known as PHOENIXNET HOLDINGS LTD.)	Cayman Islands	Ordinary	36.5%	Investment holding
SpeedCast Limited	Hong Kong	Ordinary	36.5%	Provision of Internet related services through satellite transponders

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17. Trade and other receivables

	The Group	
	2001	2000
	HK\$'000	HK\$'000
Trade receivables	101,015	76,075
Other receivables	25,488	6,294
Deposits and prepayments	49,242	37,324
	175,745	119,693

The Group does not normally provide credit terms to its trade customers as the Group usually bills its trade customers quarterly in advance in accordance with its agreement. The aged analysis of trade receivables is stated as follows:

	The Group	
	2001	2000
	HK\$'000	HK\$'000
0 to 30 days	58,779	34,694
31 to 60 days	8,985	2,987
61 to 90 days	2,487	6,981
91 to 180 days	25,832	16,553
181 days or above	4,932	14,860
Total trade receivables	101,015	76,075