

6. DIRECTORS' EMOLUMENTS

	2004	2003
	HK\$'000	HK\$'000
Fees:		
Executive	—	—
Non-executive	—	—
Independent non-executive	525	475
	<hr/>	<hr/>
	525	475
	<hr/>	<hr/>
Other emoluments:		
Executive		
Salaries and other benefits	7,874	7,831
Contributions to retirement benefits schemes	698	698
Performance related incentive payments	4,652	—
	<hr/>	<hr/>
	13,224	8,529
	<hr/>	<hr/>
Total emoluments	13,749	9,004
	<hr/>	<hr/>

6. DIRECTORS' EMOLUMENTS (CONTINUED)

Their emoluments were within the following bands:

	No. of directors	
	2004	2003
Nil to HK\$1,000,000	12	11
HK\$3,500,001 to HK\$4,000,000	—	1
HK\$4,500,001 to HK\$5,000,000	—	1
HK\$5,500,001 to HK\$6,000,000	1	—
HK\$7,000,001 to HK\$7,500,000	1	—
	<hr/>	<hr/>
	14	13
	<hr/>	<hr/>

In addition to the remuneration listed above, the Group made payments to SES GLOBAL S.A. ("SES GLOBAL") and a subsidiary of CITIC Group ("CITIC"), the substantial shareholders of the Company throughout the year, amounting to HK\$475,000 (2003: HK\$475,000) and HK\$525,000 (2003: HK\$525,000) respectively, for certain Non-Executive Directors representing SES GLOBAL and CITIC.

7. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2003: two) were Directors of the Company whose emoluments are included in note 6 above. The emoluments of the remaining three (2003: three) individuals were as follows:

	2004	2003
	HK\$'000	HK\$'000
Salaries and other benefits	8,313	8,268
Contributions to retirement benefits scheme	687	687
Performance related incentive payments	3,666	—
	<hr/>	<hr/>
	12,666	8,955
	<hr/>	<hr/>

Their emoluments were within the following bands:

	No. of employees	
	2004	2003
HK\$2,500,001 to HK\$3,000,000	—	1
HK\$3,000,001 to HK\$3,500,000	—	2
HK\$3,500,001 to HK\$4,000,000	1	—
HK\$4,000,001 to HK\$4,500,000	1	—
HK\$4,500,001 to HK\$5,000,000	1	—
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

8. TAXATION

	2004	2003
	HK\$'000	HK\$'000
The charge comprises:		
Current taxation:		
Hong Kong Profits Tax	49,574	38,516
Overseas taxation	19,226	21,509
	<hr/> 68,800 <hr/>	<hr/> 60,025 <hr/>
Deferred taxation (note 23):		
Current year	(8,264)	10,140
Attributable to an increase in tax rate in Hong Kong	—	17,433
	<hr/> (8,264) <hr/>	<hr/> 27,573 <hr/>
	<hr/> 60,536 <hr/>	<hr/> 87,598 <hr/>

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 17.5% (2003: 17.5%) of the estimated assessable profit for both years.

Overseas tax, including the Foreign Enterprises Income Tax in the People's Republic of China, is calculated at 5% to 20% 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 in dispute with the Indian tax authorities. Details of this are set out in note 28.

8. TAXATION (CONTINUED)

The taxation expense on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

	2004	2003
	HK\$'000	HK\$'000
Profit before taxation	491,616	512,086
Calculated at a taxation rate of 17.5% (2003: 17.5%)	86,033	89,615
Tax effect of income not taxable for tax purposes	(91,475)	(78,454)
Tax effect of expenses not deductible for tax purposes	44,585	34,429
Tax effect of tax losses of associates not recognised	2,167	2,734
Effect of income tax rate differential between Hong Kong and overseas locations	19,226	21,509
Increase in deferred tax liability resulting from an increase in Hong Kong Profits Tax rate	—	17,433
Other	—	332
Tax expense	60,536	87,598

9. DIVIDENDS

	The Company	
	2004	2003
	HK\$'000	HK\$'000
Interim, paid – HK\$0.08 per share (2003: HK\$0.08)	31,221	31,221
Final, proposed – HK\$0.27 per share (2003: HK\$0.24)	105,372	93,664
	136,593	124,885

The final dividend of HK\$0.27 per share has been proposed by the Directors at a meeting held on 17th March, 2005 and is subject to approval by the shareholders in the Annual General Meeting. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st December, 2005.

10. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the profit attributable to shareholders for the year of HK\$431,216,000 (2003: HK\$424,488,000) and on 390,265,500 (2003: 390,265,500) shares in issue during the year.

No diluted earnings per share was presented for either 2004 or 2003 as the exercise of the outstanding share options of the Company would have an anti-dilutive effect.

11. PROPERTY, PLANT AND EQUIPMENT

	Satellites and tracking facilities								
	In operation	Under construction	Land	Buildings	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
Cost									
At 1st January, 2004	4,167,029	41,837	26,968	117,866	10,558	6,925	3,427	2,524	4,377,134
Additions	14,953	22,826	—	34	1,291	1,055	1,722	22	41,903
Transfer	55,028	(55,028)	—	—	—	—	—	—	—
Disposals	(4,381)	—	—	—	(995)	(334)	(1,278)	(176)	(7,164)
At 31st December, 2004	4,232,629	9,635	26,968	117,900	10,854	7,646	3,871	2,370	4,411,873
Depreciation									
At 1st January, 2004	1,191,719	—	1,603	393	8,962	5,335	2,125	1,598	1,211,735
Provided for the year	280,171	—	583	4,716	716	762	797	220	287,965
Disposals	(4,381)	—	—	—	(979)	(333)	(1,207)	(176)	(7,076)
At 31st December, 2004	1,467,509	—	2,186	5,109	8,699	5,764	1,715	1,642	1,492,624
Net book values									
At 31st December, 2004	2,765,120	9,635	24,782	112,791	2,155	1,882	2,156	728	2,919,249
At 31st December, 2003	2,975,310	41,837	25,365	117,473	1,596	1,590	1,302	926	3,165,399

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