

Corporate Governance

THE COMPANY

In the interest of its shareholders, the Company is committed to high standards of corporate governance and devotes considerable effort to identifying and formalising best practices. The Company is compliant with the requirements of local and overseas regulators.

The Company is listed on the stock exchanges of Hong Kong and New York, and its shares are majority held by a private company, Bowenvale Limited (“Bowenvale”), incorporated in British Virgin Islands, with a 68.9% holding. Bowenvale is, in turn, held by CITIC Group (“CITIC”, formerly known as China International Trust and Investment Corporation) and SES GLOBAL S.A. (“SES GLOBAL”). CITIC controls 50.5% of the economic interest and 50% of voting rights of Bowenvale whilst SES GLOBAL controls 49.5% and 50%, respectively. Under the shareholders’ agreement of Bowenvale, CITIC and SES GLOBAL are each entitled to appoint, and remove, up to four directors to the Board of the Company.

THE BOARD

The Board is composed of 13 members, eight are appointed by the shareholders of Bowenvale, CITIC and SES GLOBAL; three Independent Non-Executive Directors; and two Executive Directors, who are also the Chief Executive Officer and the Deputy Chief Executive Officer of the Company.

The Chairman and the Deputy Chairman of the Board are appointed by CITIC and SES GLOBAL from one of their nominated directors and the posts are rotated biennially between CITIC and SES GLOBAL.

The Board is scheduled to meet on a quarterly basis and additional Board meetings are held, if and when required. The Board also holds private sessions at least once per year without the presence of Management.

The biographies of each Director are set out on pages 20 and 21. They illustrate the broad experience of the Board members across a wide spectrum of business sectors. The Chief Executive Officer is responsible to the Board for the management of the Company.

The Board deals with strategic and policy issues and approves corporate plans, budgets, and monitors the performance of the Management. The day to day operation of the Company is delegated to the Management. The Board has established a framework of corporate governance and is supported by three committees, the Audit Committee, the Business Development Committee and the Remuneration Committee, each of which has its own charter covering its authorities and duties. The Board also anticipates establishing a Nomination Committee. The Chairmen of these committees report regularly to the Board on the matters discussed.

AUDIT COMMITTEE

The Audit Committee, chaired by an Independent Non-Executive Director, is composed of five members: three Independent Non-Executive Directors and two Non-Executive Directors. A list of current members is set out on page 2. The Chairman and some of its members have extensive knowledge and experience in financial matters. The Chief Executive Officer, the Chief Financial Officer and other Management staff attend meetings by invitation as do the external auditors. The Committee examines any matters relating to accounting principles and practices adopted by the Company, and discusses auditing, internal control and financial reporting matters.

In recognition of the fact that the independent auditors are ultimately accountable to the Audit Committee, the Audit Committee has the sole authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors (or to nominate the independent auditors for shareholders' approval), and approves all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Audit Committee consults with Management, including the principal financial officer, but does not delegate these responsibilities.

The Audit Committee is scheduled to meet at least two times per year to review the audit reports, status of the Company's audits, internal controls and the interim and final results of the Company prior to recommending them to the Board for approval.

The Audit Committee also holds private sessions with the external auditors without the presence of Management.

BUSINESS DEVELOPMENT COMMITTEE

The Business Development Committee is composed of three Non-Executive Directors. A list of current members is set out on page 2. The Committee meets quarterly before each Board meeting. The Chief Executive Officer and other Management staff also attend the quarterly meetings. The Committee is tasked to review all corporate plans, budgets and any new and ongoing projects or ventures and make recommendations to the Board.

REMUNERATION COMMITTEE

The Remuneration Committee is composed of three members, of whom one is an Independent Non-Executive Director and the other two, Non-Executive Directors. The Committee is chaired by the Independent Non-Executive Director. A list of current members is set out on page 2. The Committee is scheduled to meet at least once per year. The Committee also holds private sessions without the presence of Management.

The Committee formulates the remuneration guidelines and policies for the Board's approval. The Committee ensures that the remuneration offered is appropriate for the duties and in line with market practice. The Committee may engage external professional advisors to assist and/or advise the Committee, if and when necessary.

DISCLOSURE COMMITTEE

To conform to recommendations arising from the Sarbanes-Oxley Act, a Disclosure Committee has been formed. The Committee is composed of seven Management staff and chaired by the Deputy Chief Executive Officer.

The Committee's prime function is to ensure that the Chief Executive Officer and the Chief Financial Officer are informed of any material facts concerning the Company that should be publicly disclosed.

The Committee is responsible for considering the materiality of the information and determining disclosure obligations on a timely basis. The Committee has overall coordinating responsibility for the Company's public disclosure, including announcements, statements and circulars to the public or shareholders, and reports to the regulatory bodies. The Committee organises and supervises the disclosure process.

The Committee is also responsible for regularly reviewing the structure of the operations and principal reporting lines and confirming that the disclosure procedures take account of any changes in the structure and principal reporting lines.

SHAREHOLDER RELATIONS

The Board recognises its accountability to shareholders for the performance and activities of the Company and attaches considerable importance to the effectiveness of its communications with shareholders. To this end, an Investor Relations Section has been established as part of the Company's website, www.asiasat.com, to provide information to shareholders about the Company. This is in addition to other corporate communications with shareholders, such as circulars, notices, announcements, interim reports and annual reports, copies of which can also be found in the website.

The interim report and annual report contain a full financial review and an operations review together with sections on corporate governance and a management discussion and analysis.

The Annual General Meeting (AGM) is the principal forum for direct dialogue with shareholders at which shareholders are invited to ask questions on the Company's operations or financial information.

At the AGM, shareholders can vote on each proposed resolution by a show of hands (unless otherwise required by the Listing Rules). All issues to be considered by shareholders will be proposed at the general meeting as separate resolutions. There are provisions in the articles of association where the Chairman of the meeting; or at least three members present in person or by proxy being entitled to vote at the meeting; or any member or members present in person or by proxy being and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or a member or members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right, may demand for a poll.

Independent scrutineers are appointed to count the number of votes cast at a general meeting whether on a show of hand or on a poll.

GUIDELINES ON CONDUCT

The Company periodically issues notices to its Directors and employees reminding them that there is a general prohibition on dealing in the Company's listed securities during the blackout periods before the announcement of the interim and annual results.

CODE OF BEST PRACTICE

The Company has complied throughout the year with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.