

STATEMENT

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 prevailing requirements of local and overseas regulators.

ACHIEVEMENTS

In a survey conducted by Institutional Shareholder Services, Inc. (ISS), a leading provider of proxy voting and corporate governance services, the Company was rated to outperform 62.3% of the companies in MSCI EAFE Index and 43.4% of the companies in the Telecommunications Service Group.

In another survey on corporate governance of 168 listed companies in Hong Kong, the Company was rated as one of the top 10 best performers in governance practices. The survey was sponsored by the Hong Kong Institute of Directors and conducted by the City University of Hong Kong.

However, we should not be complacent. We will continue striving for higher standards of corporate governance.

THE COMPANY

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") 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 currently composed of 12 members: seven 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. There is a casual vacancy not yet filled.

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 BOARD (CONTINUED)

The biographies of each Director are set out on pages 26 and 27. 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 four committees, the Audit Committee, the Business Development Committee, the Nomination Committee and the Remuneration Committee, each of which has its own charter covering its authorities and duties. The Chairmen of these committees report regularly to the Board on the matters discussed.

Attendance

Attendance at Board meetings during 2004 is set out below:

Board member	Attendance at meetings	
Romain BAUSCH (Chairman)	4/4	
MI Zeng Xin (Deputy Chairman)	3/4	
Robert BEDNAREK	4/4	
Edward CHEN	2/4	
DING Yu Cheng	4/4	
R. Donald FULLERTON	4/4	
Peter JACKSON	4/4	
JU Wei Min	4/4	
KO Fai Wong	4/4	(appointed on 11th March, 2004)
LI Tong Zhou	0/0	(resigned on 11th March, 2004)
Mark RIGOLLE	1/1	(appointed on 17th November, 2004)
Jürgen SCHULTE	3/3	(resigned on 17th November, 2004)
Robert SZE	4/4	
William WADE	4/4	

The average attendance rate at Board meetings was 94%.

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.

Attendance

Attendance at Audit Committee meetings during 2004 is set out below:

Committee member	Attendance at meetings	
Robert SZE (Chairman)	2/2	
Edward CHEN	2/2	
R. Donald FULLERTON	2/2	
JU Wei Min	2/2	
Jürgen SCHULTE	2/2	(resigned on 17th November, 2004)
Mark RIGOLLE	0/0	(appointed on 17th November, 2004)

The average attendance rate at the Audit Committee meetings was 100%.

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.

Attendance

Attendance at Business Development Committee meetings during 2004 is set out below:

Committee member	Attendance at meetings	
Robert BEDNAREK (Chairman)	4/4	
DING Yu Cheng	4/4	
KO Fai Wong	4/4	(appointed on 11th March, 2004)

The average attendance rate at the Business Development Committee meetings was 100%.

NOMINATION COMMITTEE

The Nomination 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 member is set out on page 2. The Committee is scheduled to meet at least once per year.

The Committee is responsible for identifying individuals qualified to become members of the Board, formulating succession plan of senior management and overseeing the assessment of the Board's performance. The Committee may engage external professional advisors to assist and/or advise the Committee if and when necessary.

Attendance

Attendance at Nomination Committee meetings during 2004 is set out below:

Committee member	Attendance at meetings
Edward CHEN (Chairman)	1/1
Romain BAUSCH	0/1
MI Zeng Xin	1/1

The average attendance rate at the Nomination Committee meetings was 67%.

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

Attendance

Attendance at Remuneration Committee meetings during 2004 is set out below:

Committee member	Attendance at meetings	
R. Donald FULLERTON (Chairman)	1/1	
JU Wei Min	1/1	
Mark RIGOLLE	0/1	(appointed on 17th November, 2004)
Jürgen SCHULTE	0/0	(resigned on 17th November, 2004)

The average attendance rate at the Remuneration Committee meetings was 67%.

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 of 2004 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.