

DIRECTORS' INTERESTS (CONTINUED)

The following table discloses movements in the Company's share options for the year ended 31st December, 2004:

Directors	Capacity	Share option scheme category	Option type	Outstanding at beginning of the year	Granted during the year	Cancelled/ lapsed during the year	Outstanding at end of the year	Number of underlying shares
Romain BAUSCH	Beneficial owner	2002	C	100,000	—	—	100,000	100,000
Edward CHEN	Beneficial owner	2002	C	50,000	—	—	50,000	50,000
DING Yu Cheng	Beneficial owner	2002	C	50,000	—	—	50,000	50,000
R. Donald FULLERTON	Beneficial owner	2002	C	75,000	—	—	75,000	75,000
JU Wei Min	Beneficial owner	2002	C	50,000	—	—	50,000	50,000
LI Tong Zhou*	Beneficial owner	2002	C	50,000	—	—	50,000	50,000
MI Zeng Xin	Beneficial owner	2002	C	100,000	—	—	100,000	100,000
Jürgen SCHULTE*	Beneficial owner	2002	C	50,000	—	—	50,000	50,000
Robert SZE	Beneficial owner	2002	C	75,000	—	—	75,000	75,000
Peter JACKSON	Beneficial owner	2002	A	335,000	—	—	335,000	335,000
	Beneficial owner	2002	B	150,000	—	—	150,000	150,000
	Beneficial owner	2002	C	430,000	—	—	430,000	430,000
William WADE	Beneficial owner	2002	A	316,000	—	—	316,000	316,000
	Beneficial owner	2002	B	114,000	—	—	114,000	114,000
	Beneficial owner	2002	C	330,000	—	—	330,000	330,000
Total Directors				2,275,000	—	—	2,275,000	2,275,000
Employees				1,040,500	—	—	1,040,500	
				1,504,000	—	(15,000)	1,489,000	
				2,121,500	—	—	2,121,500	
Total Employees				4,666,000	—	(15,000)	4,651,000	
Grand Total				6,941,000	—	(15,000)	6,926,000	

* Messrs. LI Tong Zhou and Jürgen SCHULTE retired on 11th March, 2004 and 17th November, 2004 respectively. According to the rules of the Share Option Scheme (2002), their options remain exercisable for twelve months following their retirement.

For details of specific option types, please refer to note 21 to the financial statements.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company or a subsidiary was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of directors are set out on pages 26 and 27.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2004, according to the register required to be kept under Section 336 of the SFO and information otherwise reported to the Company, the following persons held an interest of 5% or more in the shares in the Company:

Name	No. of shares	%
Bowenvale Limited	268,905,000	68.9
Able Star Associates Limited	268,905,000 ⁽¹⁾	68.9
CITIC Group	268,905,000 ⁽¹⁾	68.9
SES GLOBAL Holding AG	268,905,000 ⁽²⁾	68.9
SES GLOBAL Asia S.A.	268,905,000 ⁽²⁾	68.9
SES GLOBAL S.A.	268,905,000 ⁽²⁾	68.9
Aberdeen Asset Management Asia Limited	21,164,500	5.4
Commonwealth Bank of Australia	20,665,600 ⁽³⁾	5.3

Notes:

- (1) Able Star Associates Limited ("Able Star") controls 50% of the voting rights of Bowenvale Limited ("Bowenvale"). Able Star is wholly owned by CITIC Asia Limited ("CITIC Asia"), which in turn is wholly owned by CITIC Projects Management (HK) Limited ("CITIC Projects"), which is a wholly-owned subsidiary of CITIC Group ("CITIC"). Accordingly, Able Star, CITIC Asia, CITIC Projects and CITIC are deemed to be interested in the 268,905,000 shares in the Company held by Bowenvale.
- (2) SES GLOBAL Holding AG ("SES GLOBAL Holding") controls 50% of the voting rights of Bowenvale. SES GLOBAL Holding is wholly owned by SES GLOBAL ASIA S.A. (formerly known as SES Finance S.A.), which in turn is a wholly-owned subsidiary of SES GLOBAL S.A. ("SES GLOBAL"). Accordingly, SES GLOBAL Holding, SES GLOBAL ASIA S.A. and SES GLOBAL are deemed to be interested in the 268,905,000 shares in the Company held by Bowenvale.
- (3) Commonwealth Bank of Australia ("CBA") is interested in 20,665,600 shares in the Company by virtue of its corporate interest in the following companies, which are interested in shares in the Company.

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Companies controlled by CBA	No. of shares held
(i) First State Investments International Limited, an indirect wholly-owned subsidiary of CBA held under First State Investment Management (UK) Ltd, SI Holdings Ltd, First State Investments (UK Holdings) Ltd, Colonial First State Group Ltd, The Colonial Mutual Life Assurance Society Ltd, Colonial Holding Co (No. 2) Pty Ltd, Colonial Holding Co Pty Ltd and Colonial Ltd	7,695,200
(ii) First State Investment Management (UK) Limited, an indirect wholly-owned subsidiary of CBA held under SI Holdings Ltd, First State Investments (UK Holdings) Ltd, Colonial First State Group Ltd, The Colonial Mutual Life Assurance Society Ltd, Colonial Holding Co (No. 2) Pty Ltd, Colonial Holding Co Pty Ltd and Colonial Ltd	12,022,900
(iii) First State Investments (Hong Kong) Limited, an indirect wholly-owned subsidiary of CBA held under First State (Hong Kong) LLC, First State Investments (Bermuda) Ltd, First State Investment Managers (Asia) Ltd, Colonial First State Group Ltd, The Colonial Mutual Life Assurance Society Ltd, Colonial Holding Co (No. 2) Pty Ltd, Colonial Holding Co Pty Ltd and Colonial Ltd	947,500
(iv) First State Investments (Singapore), an indirect wholly-owned subsidiary of CBA held under First State Investments Holdings (Singapore) Ltd, First State Investments (Bermuda) Ltd, First State Investment Managers (Asia) Ltd, Colonial First State Group Ltd, The Colonial Mutual Life Assurance Society Ltd, Colonial Holding Co (No. 2) Pty Ltd, Colonial Holding Co Pty Ltd and Colonial Ltd	907,500

Note: First State Investments (Singapore) holds the 907,500 shares for First State Investments (Hong Kong) Limited. Accordingly, the interest of First State Investments (Singapore) duplicates the interest of First State Investments (Hong Kong) Limited.

CONNECTED TRANSACTIONS

The Group renewed two transponder utilisation agreements ("TUAs") on 16th December, 2004 for another year until 30th June, 2005 and 31st December, 2005 respectively for provision of transponder capacity to CITIC Guoan Information Industry Company Limited ("CITIC Guoan"), a subsidiary of CITIC. The term of the TUAs can be extended by CITIC Guoan for one year after their initial term. CITIC was a substantial shareholder of the Company throughout the year. Accordingly, CITIC Guoan is a connected party of the Company for the purpose of the Listing Rules and the TUAs constitute continuing connected transactions for the Company. In view that the utilisation fees in aggregate under the TUAs would exceed 0.1% of the revenue ratio calculated pursuant to Rule 14.07(3) of the Listing Rules, but no percentage ratio would exceed 2.5%, the TUAs are subject to the announcement requirement under Rule 14A.34 of the Listing Rules, but are exempt from the independent shareholders approval requirements under Rule 14A.32 of the Listing Rules. Accordingly, a public paid announcement was made on 14th January, 2005.

CONNECTED TRANSACTIONS (CONTINUED)

Under the two transponder utilisation agreements which had been entered into with CITIC Guoan on 28th April, 2001 (as amended on 24th December, 2001) and 20th February, 2004 respectively, and expired in 2004, the total amount of revenue recognised by the Group for the year was approximately HK\$3,101,000 (2003: HK\$3,782,000). In addition, under the agreement entered into by the Group with CITIC Technology Company Limited, a subsidiary of CITIC, on 26th April, 2002 (as amended on 23rd June, 2003 and 25th June, 2003) for collecting money from China customers on behalf of the Company, the Group recognised an agency fee of approximately HK\$686,000 (2003: HK\$719,000) during the year. In addition to the above, the Group made payments to SES GLOBAL and a subsidiary of CITIC, 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.

The Independent Non-Executive Directors confirmed that the transactions were entered into by the Group in the ordinary course of its business and on normal commercial terms, and in accordance with the terms of the agreements governing such transactions.

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.

AUDIT COMMITTEE

The written charter that sets out the authority and responsibilities of the Audit Committee is available at AsiaSat's website: www.asiasat.com.

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group audit. The primary objective of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditors' qualifications and independence, (d) the audit of the Company's financial statements, and (e) the performance of the Company's internal audit function and independent auditors.

A list of current members is set out on page 2.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist in Bermuda, being the jurisdiction in which the Company is incorporated.

AUDITORS

Messrs. PricewaterhouseCoopers ("PwC") were appointed as auditors of the Company on 4th November, 2004 to fill the casual vacancy following the resignation of Messrs. Deloitte Touche Tohmatsu on 4th November, 2004.

The financial statements have been audited by PwC, who retire and, being eligible, offer themselves for re-appointment.

By order of the Board

Denis Lau

Company Secretary

Hong Kong, 17th March, 2005