

ADDITIONAL INFORMATION

SUBSTANTIAL SHAREHOLDER

As at 30 June 2005, according to the register of interests in shares and short positions kept by the Company under section 336 of the Securities and Futures Ordinance ("SFO"), the following companies are directly and indirectly interested in 5 per cent or more of the issued share capital of the Company:

Name	Note	Number of shares interested	% of issued share capital
APT Satellite International Company Limited		214,200,000	51.83
China Aerospace Science & Technology Corporation	1	37,200,000	9.00
China Aerospace International Holdings Limited	1	31,200,000	7.55
Sinolike Investments Limited	1	31,200,000	7.55
Temasek Holdings (Private) Limited	2	22,800,000	5.52
Singapore Telecommunications Limited	2	22,800,000	5.52
Singasat Private Limited	2	22,800,000	5.52

Note:

- China Aerospace Science & Technology Corporation was deemed to be interested in the shares of the Company by virtue of its 41.86% shareholding in China Aerospace International Holdings Limited, which was deemed to be interested in the shares of the Company by virtue of its 100% shareholding in Sinolike Investments Limited, which was deemed to be interested in the shares of the Company by virtue of its 100% shareholding in CASIL Satellite Holdings Limited which holds 14,400,000 shares of the Company.
- Temasek Holdings (Private) Limited was deemed to be interested in the shares of the Company by virtue of its 67.16% shareholding in Singapore Telecommunications Limited, which was deemed to be interested in the shares of the Company by virtue of its 100% shareholding in Singasat Private Limited.

Save as disclosed above, as at 30 June 2005, no other party has an interest or a short position in the issued share capital of the Company, as recorded in the register required to be kept by the Company under section 336 of the SFO.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2005, according to the register maintained by the Company pursuant to section 352 of the SFO, the directors and chief executives of the Company had the following interests, all being beneficial owner unless otherwise stated, in the shares of the Company:

Name of Directors and chief executives	Nature of interests	Number of shares held	Number of share options (1)
Chen Zhaobin (Executive Director & President)	Personal	–	2,200,000
Cui Xinzheng (Vice President)	Personal	–	1,200,000
Lo Kin Hang, Brian (Vice President & Company Secretary)	Personal	5,000	800,000

- (1) The share options were granted on 19 June 2001 under the share option scheme adopted at the annual general meeting of the Company held on 22 May 2001 and all the above share options have an exercise price of HK\$2.765 per share and are exercisable within the period from 22 May 2003 to 21 May 2011.

Save as disclosed above, as at 30 June 2005, according to the register maintained by the Company pursuant to section 352 of the SFO, none of the director or the chief executive of the Company had or was deemed to have an interest or short position in the shares and underlying shares of the Company nor any associated corporations (within the meaning of Part XV of the SFO), or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies.

SHARE OPTION SCHEMES

Owing to the enforcement of the new requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) in September 2001, the Company adopted a new share option scheme (the “Scheme 2002”) at its annual general meeting on 22 May 2002, whereupon the Board of Directors of the Company shall only grant new options under the Scheme 2002.

During the period from 1 January 2005 to 30 June 2005, no option was granted under the Scheme 2002, which will expire on 21 May 2012.

SHARE OPTION SCHEMES (continued)

On 19 June 2001, the Company had granted options to its employees under a previous share option scheme (the "Scheme 2001"), which was adopted at the annual general meeting on 22 May 2001, details of which are set out below. Since then, no further options were granted under the Scheme 2001 and, all the options granted under the Scheme 2001 shall however remain valid until their expiry.

The total number of shares available for issue under the existing share option schemes (Scheme 2001 and Scheme 2002) is upon exercise of all share options granted and yet to be exercised 8,250,000, which represents 2.00% of the issued shares of the Company and not exceeding 10% of the shares of the Company in issue on the adoption date of the Scheme 2002 (i.e. 412,720,000 shares). As at 30 June 2005, the shares of the Company in issue was 413,265,000 shares.

The particulars of the outstanding share options granted under Scheme 2001 are as follows:

Name of director and chief executive:	Options granted on 19 June 2001 and remain outstanding as at 1 January 2005	Options cancelled during the period	Options outstanding as at 30 June 2005
Chen Zhaobin <i>(Executive Director and President)</i>	2,200,000	–	2,200,000
Cui Xinzheng <i>(Vice President)</i>	1,200,000	–	1,200,000
Lo Kin Hang, Brian <i>(Vice President and Company Secretary)</i>	800,000	–	800,000
	4,200,000	–	4,200,000
Employees in aggregate:			
Employees under continuous employment contracts	8,450,000	200,000	8,250,000

The above granted options have an exercise price of HK\$2.765 per share and are exercisable within the period from 22 May 2003 to 21 May 2011, whilst there is no minimum period nor any amount payable on application required before exercising the options. The closing price of the shares immediately before the date on which these options were granted was HK\$3.85.

CORPORATE GOVERNANCE

CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2005, other than the requirements relating to the preparation and content of a Corporate Government Report (which will come into effect in respect of the Company's annual report for the financial year ending 31 December 2005) and that the non-executive directors of the Company are not appointed for a specific term given they shall retire from office by rotation once every three years except the Chairman of the Board and the President in accordance with the Bye-Laws of the Company and that the Chairman of the Board and the President are not subject to retirement by rotation given that would help the Company in maintaining its consistency of making business decisions, the Company has met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

MODEL CODE

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code ("Model Code") contained in the Appendix 10 of the Listing Rules.

Having made specific enquiry of all directors, the Company's directors have confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the period from 1 January 2005 to 30 June 2005.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

In the meeting on 1 September 2005, the Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters including the review of the unaudited interim report for the six months ended 30 June 2005. The Audit Committee comprises of three independent non-executive directors including Mr. Yuen Pak Yiu, Philip, Dr. Huan Guocang and Dr. Lui King Man.