



ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED

亞洲衛星控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 1135

AUDIT COMMITTEE

TERMS OF REFERENCE

A. Purpose

The Audit Committee is established as a committee of the Board. 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, including the integrity of the financial statements and other financial information provided by the Company to its shareholders, the public, any stock exchange and others, (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.

The Audit Committee shall have no powers other than those set out in this terms of reference below. The role of the Audit Committee is oversight. The members of the Audit Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

B. Membership

The Audit Committee shall consist of three or more directors, each of whom shall satisfy independence, financial literacy and experience requirements and any other applicable independence requirements, as determined by the Board and relevant regulatory authority. At least one member of the Audit Committee shall have accounting or related financial management expertise, as the Board determines in its business judgment. The quorum for the committee shall be two members.

In addition, as long as (a) CITIC Group Corporation and The Carlyle Group L.P. control Bowenvale Limited and (b) Bowenvale Limited controls the Company, then each of the CITIC Group Corporation and The Carlyle Group L.P. may nominate one of their directors (each, a "Controlling Shareholder Representative") to serve on the Audit Committee. They will have only observer status on, and not be a voting member or chair of, the Audit Committee and may not be an executive officer of the Company.

The members of the Audit Committee shall be appointed by the Board on the recommendation of the Nomination Committee. Members of the Audit Committee may be removed at any time by action of the Board. The Audit Committee's chairman shall be designated by the Board or, if it does not do so, the members of the Audit Committee shall elect a chairman by a vote of the majority of the full Audit Committee.

Members shall be appointed for an initial three year term of office after which they shall continue for another term, if not revoked.

C. Meetings

The Audit Committee shall meet at least two times per year on a semi-annual basis, or more frequently as circumstances require. Generally the meetings shall be held prior to the meetings of the Board. As part of its responsibility to foster open communication, the Audit Committee shall meet at least semi-annually with management, including the principal financial officer and the independent auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately.

An agenda shall be circulated at least seven days before each meeting to the committee members. The minutes of the meetings of the committee shall be circulated to the Board.

D. Authority and Responsibilities

In recognition of the fact that the independent auditors are ultimately accountable to the Audit Committee, the Audit Committee shall (a) have the sole authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors (or to nominate the independent auditors for shareholder approval), (b) approve all audit engagement fees and terms and all non-audit engagements with the independent auditors, and (c) perform such other duties and responsibilities stipulated under any other applicable independence and regulatory requirements. The Audit Committee may consult with management, including the principal financial officer and the personnel responsible for the internal audit function, but shall not delegate these responsibilities.

To fulfill its responsibilities, the Audit Committee shall:

With respect to the independent auditors:

1. Be directly responsible for the appointment, compensation retention, and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company.
2. Have the sole authority to review in advance, and grant any appropriate pre-approvals, of (a) all auditing services to be provided by the independent auditors and (b) all non-audit services to be provided by the independent auditors and, in connection therewith, to approve all fees and other terms of engagement.

3. Evaluate on an annual basis the performance of the independent auditors, including the lead audit partner, and present the conclusions of such evaluation to the Board. In making its evaluation, the Audit Committee should take into account the opinions of management and the personnel responsible for the internal audit function.
4. Ensure that the independent auditors submit to the Audit Committee on an annual basis a written statement of its independency within the meaning of the requirement of Section 290 of IFAC Code of Ethics (as reflected in Section 290 of the Code of Ethics for Professional Accountants of the Hong Kong Institute of Certified Public Accountants) , discuss with the independent auditors any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and satisfy itself as to the independent auditors' independence.
5. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditors on a regular basis.
6. Review, based upon the recommendation of the independent auditors and the principal financial officer, the scope and plan of the work to be done by the independent auditors.

With respect to the annual financial statements:

7. Review and discuss with management, including the principal financial officer, the personnel responsible for the internal audit function and the independent auditors, the Company's annual audited financial statements and recommend to the Board, if applicable, to include in the Company's annual report, prior to submission to shareholders, any governmental body, any stock exchange or the public.

With respect to semi-annual financial statements:

8. Review and discuss with management, including the principal financial officer, the personnel responsible for the internal audit function and the independent auditors, the Company's semi-annual financial statements, and the independent auditors' review of the semi-annual financial statements, prior to submission to shareholders, any governmental body, any stock exchange or the public.

Annual reviews:

9. Discuss with management, including the principal financial officer, and the independent auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.

Review with Independent Auditors:

10. Prior to the filing of any audited financial statements with any governmental body or any stock exchange, review with the independent auditors (a) all critical accounting policies and practices used by the Company, (b) all alternative accounting treatments of financial information within Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards related to material items that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the independent auditors and (c) other material written communications between the independent auditors and management.

Periodic reviews:

11. Periodically review separately with each of management including the principal financial officer, the independent auditors and the personnel responsible for the internal audit function, (a) any significant disagreement between management and the independent auditors or the personnel responsible for the internal audit function, in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.
12. Periodically review with the independent auditor any other audit problems or difficulties (including accounting adjustments that were noted or proposed by the independent auditor but passed by management (due to immateriality or otherwise)), communications between the audit engagement team and the independent auditor's national office regarding auditing or accounting issues and management or internal control letters issued, or proposed to be issued, by the auditor to the Company) and management's response to such letters.
13. Periodically discuss with the independent auditors, without management being present, (a) their judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
14. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the independent auditors, management or the personnel responsible for the internal audit function. Review with the independent auditors and management, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Audit Committee, have been implemented.
15. Review and discuss with management, the personnel responsible for the internal audit function, the independent auditors and the Company's in-house and independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in regulatory and accounting initiatives, standards or rules.

Discussions with management:

16. Review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses.
17. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

With respect to the internal audit function, if any, and internal controls:

18. Review, based upon the recommendation of the independent auditors and the principal financial officer, the scope and plan of the work to be done by the personnel responsible for the internal audit function and the responsibilities, budget and staffing needs of the personnel responsible for the internal audit function.
19. Review and approve the appointment and replacement of the personnel responsible for the internal audit function.
20. Review on an annual basis the performance of the personnel responsible for the internal audit function.
21. In consultation with the independent auditors and the personnel responsible for the internal audit function, review the adequacy of the Company's internal control structure and procedures designed to insure compliance with laws and regulations, and any special audit steps adopted in light of material control deficiencies.
22. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding the questionable accounting or auditing matters.
23. Review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting.

Others:

24. Review and approve the continuing connected transactions.
25. Review and approve (a) any change or waiver of the Company's code of ethics for the President and Chief Executive Officer and senior financial officers and (b) any public disclosure made regarding such change or waiver.
26. Review and reassess the adequacy of the terms of reference annually and recommend to the Board any changes deemed appropriate by the Audit Committee.
27. Review its own performance annually.

28. Report regularly to the Board. Review with the full Board any issues that have arisen with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the personnel responsible for the internal audit function.
29. Perform any other activities consistent with the terms of reference, the Company's by-laws and governing law, as the Audit Committee or the Board deems necessary or appropriate.

E. Former Employees of the Independent Auditor

The Audit Committee shall be required to pre-approve the hiring of any employee or former employee of the independent auditor who was a member of the Company's audit engagement team within the preceding two fiscal years. The Audit Committee shall not approve the hiring of any individual for a financial reporting oversight role if such person is or was an employee of the independent auditor and was a member of the Company's audit engagement team within the preceding two fiscal years unless (a)(i) such individual is to be employed for a limited period of time due to an emergency or unusual situation and (ii) the Audit Committee determines that the hiring of such individual is in the best interests of the Company's shareholders or (b) such individual becomes employed by the Company as a result of a business combination and the Audit Committee was made aware of such individual's prior relationship with the Company as a member of its audit engagement team.

F. Resources

The Audit Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

G. Funding

The Audit Committee shall determine the extent of funding necessary for payment of (a) compensation to the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, (b) compensation to any independent legal, accounting and other consultants retained to advise the Audit Committee and (c) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

Date: 19 May 2015

** For identification only*